INDEPENDENT AUDITORS' REPORT

To The Members of Amara Raja Batteries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Amara Raja Batteries Limited** ("the Parent") and its subsidiary, (the Parent and its subsidiary together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditor on separate financial statements of the subsidiary referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under Section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditors' Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditors' Response
1	**Revenue Recognition** Refer Note 2L "Revenue Recognition" of the Consolidated Financial Statements under Significant Accounting Policies. Revenue is recognised net of returns and discounts, when control over the goods is transferred to the customer which is mainly upon delivery of goods as per terms of the contracts with customers. The timing of revenue recognition is relevant as there is a risk of revenue being recorded before control is transferred.	We have performed the following principal audit procedures in relation to revenue recognised which include a combination of testing internal controls and substantive testing as under: • Assessing the appropriateness of the Parent's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and testing thereof. • Evaluating the integrity of the general information and technology ('IT') control environment and testing the operating effectiveness of key IT application controls. • Understanding the revenue recognition process, evaluating the design and implementation of Parent's controls in respect of revenue recognition. • Testing the effectiveness of such controls over revenue cut off at year-end. • Testing the supporting documentation for sales transactions recorded during the period closer to the year end and subsequent to the year end, including examination of credit notes issued after the year end to determine whether revenue was recognised in the correct period. • Performing analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and testing.

Sr. No.	Key Audit Matter	Auditors' Response
2	**Completeness of provision for warranty obligations** Refer Note 2 D(i) under Significant Accounting Policies for Use of estimates and judgements in relation to provision for warranty obligations and Note 39 of the Consolidated Financial Statements. The Parent estimates and provides for liability for product warranties in the year in which the products are sold. These estimates are established using historical information on the nature, frequency, quantum of warranty claims and corrective actions against product failures and the estimates are reviewed annually for any material changes in assumptions. The cost of warranty is net of realisable scrap value and the best estimate of relevant freight expenses. The timing of outflows will vary based on the actual warranty claims. The determination of warranty provision is associated with unavoidable estimation uncertainties. Because of the quantitative significance, complexity and level of judgement involved, there is a risk of inappropriate and inadequate provision for warranty obligation.	We carried out a combination of principal audit procedures involving test of internal controls and substantive testing including: • Understanding the warranty claims process, evaluating the design and implementation of Parent's controls in respect of warranty provisioning. • Testing the operating effectiveness of these controls during the year. • Carrying out reconciliations with the sales data to determine completeness of transactions on which warranty obligation is determined. • Reviewing contracts with customers for terms of warranty contained therein and the estimation of warranty provision on the basis of these terms. • Testing of the data and assumptions used in the calculation of the provision for warranty obligations including those relating to estimates of failure percentages, etc. • Testing documentation relating to actual warranty replacement and an analysis of the actual failure trend with the estimates used in determining future warranty obligation.

Information Other than the Financial Statements and Auditors' Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the Director's Reports and Annexures to the Director's Report, but does not include the consolidated financial statements, standalone financial statements and our auditors' reports thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiary audited by the other auditor, to the extent it relates to the entity and, in doing so, place reliance on the work of the other auditor and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiary, is traced from their financial statements audited by the other auditor.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intend to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which have been audited by the other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of ₹2.99 crores as at March 31, 2022, total revenues of ₹6.14 crores and net cash inflows amounting to ₹0.35 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on the separate financial statements of the subsidiary referred to in the Other Matters section above, we report, to the extent applicable that:

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

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditor.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Parent as on March 31, 2022 taken on record by the Board of Directors of the Parent, none of the directors of the Parent is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent to whom internal financial controls over financial reporting is applicable. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of the Parent.

   g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid / payable by the Parent to its directors during the year is in accordance with the provisions of Section 197 of the Act.

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

      i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;

      ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

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

      iv) (a) The Management of the Parent whose financial statements have been audited under the Act have represented that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

      (b) The Management of the Parent whose financial statements have been audited under the Act have represented that, to the best of their knowledge and belief, no funds have been received by the Parent from any person(s) or entity(ies), including foreign entities.

      (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

      v) The final dividend proposed in the previous year, declared and paid by the Parent, during the year is in accordance with Section 123 of the Act, as applicable.

      The interim dividend declared and paid by the Parent during the year is in accordance with Section 123 of the Act.

      As stated in Note 41 of the consolidated financial statements, the Board of Directors of the Parent have proposed final dividend for the year which is subject to the approval of the members of the Parent at the ensuing Annual General Meeting. The dividend proposed is in accordance with Section 123 of the Act, as applicable.

2. With respect to the matters specified in Clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the audit report under Section 143 issued by us and the auditor of the subsidiary company included in the consolidated financial statements, as provided to us by the Management of the Parent, we report that CARO is applicable only to the Parent and not to any other company included in the consolidated financial statements. We have not reported any qualification or adverse remark in the CARO report of the Parent.

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

Karumanchi Rajaj
Partner
Membership No. 202309
UDIN: 22202309AJHUWH7235

Hyderabad, May 20, 2022

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(F.R.N: 117366W/W- 100018)

Sumit Trivedi
Partner
Membership No. 209354
UDIN: 22209354AJHUFS4958

Hyderabad, May 20, 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

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

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of **Amara Raja Batteries Limited** (hereinafter referred to as "Parent"), as of that date. The subsidiary is a company which is incorporated outside India.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Parent, has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Parent considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Karumanchi Rajaj
Partner
Membership No. 202309
UDIN: 22202309AJHUWH7235

Hyderabad, May 20, 2022

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(F.R.N: 117366W/W- 100018)

Sumit Trivedi
Partner
Membership No. 209354
UDIN: 22209354AJHUFS4958

Hyderabad, May 20, 2022

Consolidated Balance Sheet
As at March 31, 2022
All amounts are in ₹ crores, except share data and where otherwise stated

	Notes	As at March 31, 2022	As at March 31, 2021
A. ASSETS			
Non-current assets			
(a) Property, plant and equipment	3.1	2,127.59	2,116.03
(b) Right-of- use assets	3.2	285.18	243.65
(c) Capital work-in-progress	3.1	829.32	397.56
(d) Other intangible assets	4	79.53	95.08
(e) Intangible assets under development	4	0.33	1.72
(f) Financial assets			
(i) Investments	5	42.48	6.55
(ii) Other financial assets	6	8.33	4.31
(g) Income-tax assets (net)	20	7.24	-
(h) Other non-current assets	11	171.27	110.75
Total non - current assets		**3,551.27**	**2,975.65**
Current assets			
(a) Inventories	7	1,804.56	1,438.93
(b) Financial assets			
(i) Investments	5	34.73	273.42
(ii) Trade receivables	8	792.00	786.93
(iii) Cash and cash equivalents	9	34.86	96.93
(iv) Bank balances other than (iii) above	10	19.26	79.08
(v) Other financial assets	6	16.68	25.52
(c) Other current assets	11	122.74	120.43
Total current assets		**2,824.83**	**2,821.24**
Total assets		**6,376.10**	**5,796.89**
B. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	12	17.08	17.08
(b) Other equity	13	4,535.40	4,192.91
Total equity attributable to owners of the Company		**4,552.48**	**4,209.99**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	16.52	23.39
(ii) Lease liabilities	15	77.28	38.59
(b) Provisions	16	108.29	95.41
(c) Deferred tax liabilities (net)	17	31.37	40.74
(d) Other non-current liabilities	21	63.69	59.26
Total non - current liabilities		**297.15**	**257.39**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	6.87	10.95
(ii) Lease liabilities	15	25.22	19.39
(iii) Trade payables	18		
-Total outstanding dues of Micro enterprises and small enterprises		23.05	44.14
-Total outstanding dues of creditors other than Micro enterprises and small enterprises		782.45	702.36
(iv) Other financial liabilities	19	298.79	205.33
(b) Provisions	16	137.29	118.60
(c) Current tax liabilities (net)	20	-	4.18
(d) Other current liabilities	21	252.80	224.56
Total current liabilities		**1,526.47**	**1,329.51**
Total equity and liabilities		**6,376.10**	**5,796.89**
Corporate information	1		
Significant accounting policies	2		

See accompanying notes to the consolidated financial statements

In terms of our report attached
For Brahmayya & Co.
Chartered Accountants
(F.R.N : 000513S)

Karumanchi Rajaj
Partner
M. No. 202309

Place: Hyderabad
Date: May 20, 2022

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

Sumit Trivedi
Partner
M.No. 209354

For and on behalf of the Board of Directors

Jayadev Galla
Chairman, Managing Director & CEO

Harshavardhana Gourineni
Executive Director

Vikramadithya Gourineni
Executive Director

Y Delli Babu
Chief Financial Officer

Vikas Sabharwal
Company Secretary

Consolidated Statement of Profit and Loss
For the year ended March 31, 2022
All amounts are in ₹ crores, except share data and where otherwise stated

		Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
	Income			
I	Revenue from operations	22	8,697.15	7,149.78
II	Other income	23	77.98	87.36
III	**Total Income (I+II)**		**8,775.13**	**7,237.14**
IV	**Expenses**			
	Cost of materials consumed		5,969.39	4,382.54
	Purchases of stock-in-trade		473.91	430.07
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(321.95)	(68.23)
	Employee benefits expense	25	499.31	426.64
	Finance costs	26	15.10	10.53
	Depreciation and amortization expense	27	395.72	319.16
	Other expenses	28	1,052.53	863.08
	Total Expenses		**8,084.01**	**6,363.79**
V	**Profit before tax (III - IV)**		**691.12**	**873.35**
VI	**Tax expense**	29		
	(i) Current tax		187.92	229.91
	(ii) Deferred tax		(9.37)	(3.39)
	Total tax expense		**178.55**	**226.52**
VII	**Profit for the year (V - VI)***		**512.57**	**646.83**
VIII	**Other Comprehensive Income/(Loss)**			
	(i) Items that will not be reclassified to profit or loss :			
	(a) Remeasurements of the defined benefit plans		1.76	(0.02)
	(b) Equity instruments through other comprehensive income		(1.06)	(6.73)
	(ii) Items that will be reclassified to profit or loss:			
	(a) Exchange difference arising on translation of foreign operation		0.04	0.01
	Total Other Comprehensive Income/(Loss)		**0.74**	**(6.74)**
IX	**Total comprehensive income for the year (VII + VIII)***		**513.31**	**640.09**
	* Attributable to owners of the Company			
	Earnings per share (of ₹1 /- each)	35		
	Basic and Diluted (₹)		**30.01**	**37.87**
Corporate information		1		
Significant accounting policies		2		

See accompanying notes to the consolidated financial statements

In terms of our report attached
For Brahmayya & Co.
Chartered Accountants
(F.R.N : 000513S)

Karumanchi Rajaj
Partner
M. No. 202309

Place: Hyderabad
Date: May 20, 2022

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

Sumit Trivedi
Partner
M.No. 209354

For and on behalf of the Board of Directors

Jayadev Galla
Chairman, Managing Director & CEO

Harshavardhana Gourineni
Executive Director

Vikramadithya Gourineni
Executive Director

Y Delli Babu
Chief Financial Officer

Vikas Sabharwal
Company Secretary

Consolidated **Cash flow statement**

For the year ended March 31, 2022

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

	For the year ended March 31, 2022		For the year ended March 31, 2021	
A. Cash flows from operating activities				
Profit before tax		**691.12**		**873.35**
Adjustments for:				
Depreciation and amortisation expense	395.72		319.16	
Loss/(Gain) on sale of property, plant and equipment (net) / written off	6.96		0.91	
Finance costs	15.10		10.53	
Interest income on bank deposits	(2.13)		(4.15)	
Dividend income from equity instruments designated at FVTOCI	(0.00)		(0.00)	
Gain on disposal of mutual fund units	(11.62)		(14.18)	
Deferred revenue recognised	(12.85)		(9.65)	
Net gain arising on financial assets mandatorily measured at FVTPL	(0.21)		(2.23)	
Liabilities no longer required written back	(9.39)		(13.16)	
Provision for doubtful trade receivables written back	(2.96)		(19.22)	
Provision for doubtful trade receivables and advances	2.07		9.25	
Advances written-off	1.30		-	
Bad trade receivables written off (net)	1.92		0.48	
Net unrealised foreign exchange gain	(0.82)		(19.42)	
		383.09		258.32
Operating profit before working capital changes		1,074.21		1,131.67
Movements in working capital				
Adjustments for (increase)/decrease in operating assets:				
- Trade receivables	(4.69)		(135.21)	
- Inventories	(365.63)		(295.93)	
- Other assets	(6.85)		62.53	
Adjustments for increase/(decrease) in operating liabilities:				
- Trade payables	67.80		143.99	
- Other liabilities	42.79		70.45	
- Provisions	24.97		24.23	
		(241.61)		(129.94)
Cash generated from operations		**832.60**		**1,001.73**
Income taxes paid (net)		(199.34)		(199.52)
Net cash generated from operating activities [A]		**633.26**		**802.21**
B. Cash flows from investing activities				
Purchase of property, plant and equipment	(760.92)		(496.66)	
Proceeds from sale of property, plant and equipment	1.17		0.28	
Purchase of non-current investments	(36.99)		-	
Purchase of current investments	(1,307.00)		(1,459.79)	
Proceeds from sale / redemption of current investments	1,557.52		1,345.03	
Proceeds from sale of non-current investments	-		0.07	
Bank balances not considered as cash and cash equivalents (net)	59.66		(27.68)	
Interest received	4.67		3.78	
Dividend income	0.00		0.00	
Net cash used in investing activities [B]		**(481.89)**		**(634.97)**

Consolidated **Cash flow statement (contd...)**

For the year ended March 31, 2022

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

	For the year ended March 31, 2022		For the year ended March 31, 2021	
C. Cash flows from financing activities				
Repayment of borrowings	(10.95)		(12.46)	
Repayment of lease liabilities	(24.97)		(19.68)	
Finance costs (including on lease liabilities)	(6.74)		(3.95)	
Dividend paid	(170.82)		(85.41)	
Net cash used in financing activities [C]		**(213.48)**		**(121.50)**
Net increase / (decrease) in cash and cash equivalents [A+B+C]		**(62.11)**		**45.74**
Cash and cash equivalents at the beginning of the year		96.93		32.62
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies		-		18.57
Exchange differences in translating the financial statements of foreign subsidiary		0.04		-
Cash and cash equivalents at the end of the year (Refer Note 9)		**34.86**		**96.93**

Notes:

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

(b) Reconciliation of liabilities from financing activities for the year ended March 31, 2022

	As at March 31, 2021	Cash flows	Non cash changes Current / Non-current Classification	As at March 31, 2022
Borrowings	34.34	(10.95)	-	23.39
Lease liabilities	57.98	(30.95)	75.47	102.50
Total	**92.32**	**(41.90)**	**75.47**	**125.89**

Reconciliation of liabilities from financing activities for the year ended March 31, 2021

	As at March 31, 2020	Cash flows	Non cash changes Current / Non-current Classification	As at March 31, 2021
Borrowings	46.80	(12.46)	-	34.34
Lease liabilities	37.10	(23.12)	44.00	57.98
Total	**83.90**	**(35.58)**	**44.00**	**92.32**

See accompanying notes to the consolidated financial statements

In terms of our report attached
For Brahmayya & Co.
Chartered Accountants
(F.R.N : 000513S)

Karumanchi Rajaj
Partner
M. No. 202309

Place: Hyderabad
Date: May 20, 2022

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

Sumit Trivedi
Partner
M.No. 209354

For and on behalf of the Board of Directors

Jayadev Galla
Chairman, Managing Director & CEO

Harshavardhana Gourineni
Executive Director

Vikramadithya Gourineni
Executive Director

Y Delli Babu
Chief Financial Officer

Vikas Sabharwal
Company Secretary

Consolidated Statement of **changes in equity**
For the year ended March 31, 2022
All amounts are in ₹ crores, except share data and where otherwise stated

A) Equity share capital

	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	17.08	17.08
Changes in equity share capital during the year	-	-
Balance at the end of the year	17.08	17.08

B) Other equity

	Reserves and surplus				Foreign Currency Translation Reserve Account	Equity investments through other comprehensive income	Total
	Securities premium	Capital reserve*	General reserve	Retained earnings			
Balance at March 31, 2020	31.19	0.00	517.91	3,085.14	(0.02)	4.01	3,638.23
Profit for the year	-	-	-	646.83	-	-	**646.83**
Other comprehensive income / (loss) for the year, net of income tax	-	-	-	(0.02)	0.01	(6.73)	**(6.74)**
Total comprehensive income for the year 2020-21	-	-	-	646.81	0.01	(6.73)	640.09
Payment of dividends [Refer Note 41]	-	-	-	(85.41)	-	-	**(85.41)**
Transfer for General reserve	-	-	64.68	(64.68)	-	-	**-**
Balance at March 31, 2021	31.19	0.00	582.59	3,581.86	(0.01)	(2.72)	4,192.91
Profit for the year	-	-	-	512.57	-	-	**512.57**
Other comprehensive income / (loss) for the year, net of income tax	-	-	-	1.76	0.04	(1.06)	**0.74**
Total comprehensive income for the year 2021-22	-	-	-	514.33	0.04	(1.06)	513.31
Payment of dividends [Refer Note 41]	-	-	-	(170.82)	-	-	**(170.82)**
Transfer for General reserve	-	-	51.13	(51.13)	-	-	**-**
Balance at March 31, 2022	31.19	0.00	633.72	3,874.24	0.03	(3.78)	4,535.40

* Amounts below ₹1 Lakh

See accompanying notes to the consolidated financial statements

In terms of our report attached
For Brahmayya & Co.
Chartered Accountants
(F.R.N : 000513S)

Karumanchi Rajaj
Partner
M. No. 202309

Place: Hyderabad
Date: May 20, 2022

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

Sumit Trivedi
Partner
M.No. 209354

For and on behalf of the Board of Directors

Jayadev Galla
Chairman, Managing Director & CEO

Harshavardhana Gourineni
Executive Director

Vikramadithya Gourineni
Executive Director

Y Delli Babu
Chief Financial Officer

Vikas Sabharwal
Company Secretary

Notes to the **consolidated financial statements**
All amounts are in ₹ crores, except share data and where otherwise stated

1. Group Information

The Consolidated Financial Statements comprise financial statements of Amara Raja Batteries Limited ("the parent" or "the Company") and its wholly-owned subsidiary Amara Raja Batteries Middle East (FZE) U.A.E. (collectively, the Group).

The Company is one of the largest manufacturers of lead-acid storage batteries for industrial and automotive applications in India. The equity shares of the Company are listed on the BSE Limited and the National Stock Exchange of India Limited. The Company's products are supplied to customer groups viz., Telecom, Railways, Power Control, Solar and UPS under Industrial Battery business; and to Automobile OEMs, Replacement Market and Private Label Customers under Automotive Battery business. The Company's products are exported to various countries in the Indian Ocean Rim. The Company also provides installation, commissioning and maintenance services. The leading automotive and industrial battery brands of the Company are Amaron®, PowerZone®, Power Stack®, AmaronVolt® and Quanta®.

The subsidiary is incorporated for trading of lead acid storage batteries in the Middle East.

2. Significant Accounting Policies

A. Statement of compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act") read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended). The consolidated financial statements have also been prepared in accordance with the relevant presentation requirements of the Act.

B. Basis of preparation of Consolidated Financial Statements

These consolidated financial statements have been prepared on historical cost convention and on an accrual basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below. These consolidated financial statements are presented in Indian Rupees (₹).

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Basis of consolidation

Subsidiaries are entities controlled by the Group. Control is assessed annually with reference to the voting power (usually arising from equity shareholdings and potential voting rights) and other rights (usually contractual) enjoyed by the Group in its capacity as an investor that provides it the power and consequential ability to direct the investee's activities and significantly affect the Group's returns from its investment. Such assessment requires the exercise of judgment and is disclosed by way of note in the Consolidated Financial Statements. The Group is considered not to be in control of entities where it is unclear as to whether it enjoys such power over the investee.

The assets, liabilities, income and expenses of subsidiaries are aggregated and consolidated, line by line, from the date control is acquired by any Group entity to the date it ceases. Profit or loss and each component of other comprehensive income are attributed to the Group as owners and to the non-controlling interests. The Group presents the non-controlling interests in the Balance Sheet within equity, separately from the equity of the Group as owners. The excess of the Group's investment in a subsidiary over its share in the net worth of such subsidiary on the date control is acquired is treated as goodwill while a deficit is considered as a capital reserve in the Consolidated Financial Statements. Impairment loss, if any, to the extent the carrying amount exceeds the recoverable amount is charged off to the Consolidated Statement of Profit and Loss as it arises and is not reversed.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Pursuant to amendment to the Schedule III of the Companies Act, 2013 issued by the Ministry of Corporate Affairs, current portion of long-term borrowings disclosed under the head of 'Other Financial Liabilities' in the previous year has been disclosed as 'Borrowings' under current financial liabilities.

C. Operating Cycle

All assets have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Act and Ind AS 1 – Presentation of Financial Statements, based on the nature of the products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

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

D. Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with Ind AS requires Management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The following are the critical judgements and estimates that have been made in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the Consolidated Financial Statements.

i) Provision for warranty

The Group estimates and provides for liability for product warranties in the year in which the products are sold. These estimates are established using historical information on the nature, frequency, quantum of warranty claims and corrective actions against product failures and the estimates are reviewed annually for any material changes in assumptions. The cost of warranty is net of realisable scrap value and the best estimate of relevant freight expenses. The timing of outflows will vary based on the actual warranty claims.

ii) Useful lives of Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by Management at the time the asset is acquired and is reviewed at the end of each reporting period. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. This reassessment may result in change in depreciation expense in future periods.

iii) Fair value measurement of financial instruments

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or liability, the Group uses market-observable data to the extent available. Where Level 1 inputs are not available, the fair value is measured using valuation techniques, including the discounted cash flow model, which involves various judgments and assumptions. For certain investments in equity instruments, where more recent information to measure fair value is insufficient, or there is a wide range of possible fair value measurements, cost is considered as the best estimate of fair value. The Group also engages third party qualified valuers to perform the valuation in certain cases. The appropriateness of valuation techniques and inputs to the valuation model are reviewed by the Management.

iv) Income Taxes

The Parent's tax jurisdiction is India. Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions.

v) Actuarial Valuation

The determination of Group's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Consolidated Statement of Profit and Loss and in Other Comprehensive Income. Such valuation depends upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors. Information about such valuation is provided in the notes to the consolidated financial statements.

vi) Other estimates

The preparation of consolidated financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of consolidated financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Group estimates the probability of collection of accounts receivable by analysing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

E. Inventories

Inventories are stated at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Net realisable value represents the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The method of determination of cost of various categories of inventories is as follows:

(i) **Raw materials and bought-out components, stores and spares and loose tools:** Weighted average cost. Cost includes purchase cost and other attributable expenses.

(ii) **Finished Goods and Work-in-progress:** Weighted average cost of production which comprises direct material cost, direct wages and appropriate overheads based on normal level of activity.

(iii) **Stock-in-trade:** Weighted average cost.

F. Property, plant and equipment

(i) Recognition and measurement:

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes deemed cost which represents the carrying value of property, plant and equipment recognised as at April 1, 2015 measured as per the Accounting Standards notified under Section 133 of the Act, read together with Rule 7 of the Companies (Accounts) Rules, 2014, which the Group elected in accordance with Ind AS 101.

Cost comprises the purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure in making the asset ready for its intended use. Machinery spares which can be used only in connection with an item of property, plant and equipment and whose use is expected to be irregular are capitalised and depreciated over the useful life of the spares or the principal item of the relevant assets, whichever is lower.

Capital work-in-progress are items of property, plant and equipment which are not yet ready for their intended use and are carried at cost, comprising direct cost and related incidental expenses.

(ii) Depreciation:

Depreciation on property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Act except in respect of the following category of assets, in which case the life of the assets has been assessed based on technical advice taking into account the nature of the asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement, maintenance support, etc., Freehold land is not depreciated.

Asset	Useful lives (in years)
Buildings	3-60
Plant and machinery (including electrical installations and moulds)	1-10
Solar Equipment	25
Furniture and fixtures	5-10
Vehicles	3-10
Office equipment	3-5
Computers	3-6

Property, plant and equipment's residual values and useful lives are reviewed at each Consolidated Balance Sheet date and changes, if any, are treated as changes in accounting estimate and accounted for on a prospective basis.

Assets individually costing ₹5,000 and below are fully depreciated in the year of acquisition.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Consolidated Statement of Profit and Loss when the asset is de-recognised.

G. Intangible assets

Intangible assets that the Group controls and from which it expects future economic benefits are capitalised upon acquisition and measured initially for separately acquired assets, at cost comprising of the purchase price (including import duties and non-refundable taxes) and directly attributable costs to prepare the assets for its intended use. The useful life of an intangible asset is considered finite where there is a likelihood of technical and technological obsolescence.

Intangible assets that have a finite lives are amortised over their estimated useful lives as per the straight line method unless it is practical to reliably determine the pattern of benefits arising from the asset.

The estimated useful life and amortisation method are reviewed at the end of each reporting period, but the effect of any change in estimates being accounted for on a prospective basis.

Intangible assets comprising software are amortised over a period of 5 years. The amortisation period for Technical Know-how has been assessed as 8 years, representing the period over which economic benefits from the use of Technical Know-how is expected to be utilized.

All intangible asses are tested for impairment. Amortisation expenses, impairment losses and reversal of impairment losses are considered in the Consolidated Statement of Profit and Loss. After initial recognition an intangible asset is carried at its costs less accumulated amortization and / or impairment losses.

H. Impairment of assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets or cash generating units exceed their recoverable amount.

Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life.

Impairment loss recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization or depreciation) had no impairment loss been recognised in previous years.

I. Foreign currency transactions and translations

In preparing the financial statements of the Group, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rate of exchange prevailing at the dates of the transactions. The date of transaction for the purpose of determining the exchange rate on initial recognition of the related asset, expense or income (part of it) is the date on which the entity initially recognises the non-monetary asset or non-monetary liability arising from payment or receipt of advance consideration. Monetary assets and liabilities relating to foreign currency transactions remaining unsettled at the end of each reporting period are translated at the exchange rates prevailing at that date. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction.

Translation of financial statements of foreign entities

On consolidation, the assets and liabilities of foreign operations are translated into ₹ (Indian Rupees) at the exchange rate prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in consolidated statement of other comprehensive income ('OCI'). On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to the Consolidated Statement of Profit and Loss.

J. Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received, and the Group will comply with the conditions attached to the grant.

Government grants related to revenue are recognised on a systematic basis in the Consolidated Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense. When the grant relates to an asset, it is recognised as deferred revenue in the Consolidated Balance Sheet and transferred to the Consolidated Statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

K. Employee benefits

(i) Defined contribution plans

The Group's contributions to Provident Fund (Government administered), Employees' State Insurance Scheme and Superannuation Fund (under a scheme of Life Insurance Corporation of India), considered as defined contribution plans are charged as an expense in the Consolidated Statement of Profit and Loss when the employees have rendered services entitling them to the contributions.

(ii) Defined benefit plans

For defined benefit plans in the form of gratuity fund, administered under a scheme of the Life Insurance Corporation of India, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The defined benefit obligations recognized in the Consolidated Balance Sheet represents the present value of the defined obligations as reduced by the fair value of plan assets, if applicable. Re-measurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected immediately in the Consolidated Balance Sheet with a charge or credit recognized in Other Comprehensive Income in the period in which they occur and are not re-classified to the Consolidated Statement of Profit and Loss in the subsequent periods. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability (asset) are recognized in the Consolidated Statement of Profit and Loss.

(iii) Short term and other long term employee benefits

The employees of the Group are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Group records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Group measures the expected cost of compensated absences as the additional amount that the Group expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Group recognises accumulated compensated absences based on actuarial valuation. Non-accumulating compensated absences are recognised in the period in which the absences occur. The Group recognises actuarial gains and losses immediately in the Consolidated Statement of Profit and Loss.

L. Revenue recognition

Sale of goods:

Revenue is recognised net of returns and discounts, when control over the goods is transferred to the customer which is mainly upon delivery of goods as per the terms of contracts with customers.

Sales related warranties associated with batteries cannot be purchased separately and they serve as an assurance that the products sold comply with agreed upon specifications. Accordingly, the Group accounts for warranties in accordance with Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

Sale of services:

Revenue from installation, commissioning and maintenance services is recognised based on the contracts with customers and when the services are rendered by measuring progress towards satisfaction of performance obligation for such services.

Other Income:

Interest income is recognised using effective interest method. Dividend income is accounted for in the year when the right to receive such dividend is established and the amount of dividend can be measured reliably.

M. Financial instruments, Financial assets, Financial liabilities

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Transaction costs directly attributable to the acquisition of financial asset or financial liabilities at fair value through profit or loss are recognized immediately in the Consolidated Statement of Profit and Loss.

Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on the trade date i.e. the date when the Group commits to purchase or sell the asset.

The classification of financial instruments depends on the objective of the Group's business model for which it is held and on the substance of the contractual terms / arrangements. Management determines the classification of its financial instruments at initial recognition.

(i) Financial assets

Recognition: Financial assets include Investments, Trade receivables, Security Deposits, Cash and cash equivalents. Such assets are initially recognised at transaction price when the Group becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Consolidated Statement of Profit and Loss.

Classification: Financial assets are classified as those measured at:

(a) amortised cost, where the financial assets are held within a business model solely for collection of cash flows arising from payments of principal and/ or interest as per contractual terms. Such assets are subsequently measured at amortised cost using the effective interest method, less any impairment loss.

(b) fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income.

(c) fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in the Consolidated Statement of Profit and Loss in the period in which they arise.

FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as FVTPL.

Trade receivables, Security Deposits, Cash and cash equivalents etc. are classified for measurement at amortised cost while investments may fall under any of the aforesaid classes. However, in respect of particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, an irrevocable election on an instrument by instrument basis at initial recognition may be made to present subsequent changes in fair value through other comprehensive income. This election is not permitted if the equity instrument is held for trading.

Impairment: The Group assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

As a practical expedient, the Group uses a provision matrix to determine impairment loss on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At every reporting date, the historically observed default rates are updated and changes in forward-looking estimates are analysed.

Reclassification: When and only when the business model is changed, the Group shall reclassify all affected financial assets prospectively from the reclassification date as subsequently measured at amortised cost, fair value through other comprehensive income, fair value through profit or loss without restating the previously recognised gains, losses or interest and in terms of the reclassification principles laid down in the Ind AS relating to Financial Instruments.

De-recognition: Financial assets are derecognised when the right to receive cash flows from the assets has expired, or has been transferred, and the Group has transferred substantially all of the risks and rewards of ownership. Concomitantly, if the asset is one that is measured at:

(a) amortised cost, the gain or loss is recognised in the Consolidated Statement of Profit and Loss;

(b) fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the Consolidated Statement of Profit and Loss unless the asset represents an

equity investment in which case the cumulative fair value adjustments previously recognized in other comprehensive income and accumulated in the "equity instruments through other comprehensive income" will not be reclassified to profit or loss on disposal of the investments.

(ii) Financial liabilities

Borrowings, trade payables and other financial liabilities are initially recognised at the value of the respective contractual obligations. They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry. The difference between the carrying amount of the financial liabilities de-recognised and the consideration paid and payable is recognised in the Consolidated Statement of Profit and Loss.

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is included in the Consolidated Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

N. Leases

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether, (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

O. Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in the Consolidated Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

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

Current Tax

Current tax is measured at the amount expected to be paid to or recovered from the taxation authorities based on the taxable profit for the year. Taxable profit differs from "Profit before tax" as reported in the Consolidated Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the tax laws. The tax rates and tax laws used to compute the current tax amount are those that are enacted by the reporting date and applicable for the period. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of such deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting date. The deferred tax assets (net) and deferred tax liabilities (net) are determined separately for the parent and subsidiary Company as per their applicable laws and then aggregated. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset the corresponding current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

P. Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle such obligation and a reliable estimate can be made of the amount of such obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be recovered and the amount of the receivable can be measured reliably.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

Q. Research and development expenses

Revenue expenditure pertaining to research is charged to the Consolidated Statement of Profit and Loss. Development costs of products are also charged to the Consolidated Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent

basis to creating, producing and making the asset ready for its intended use. Property, plant and equipment utilised for research and development are capitalised and depreciated in accordance with the policies stated for property, plant and equipment.

R. Earnings per share

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

S. Cash and cash equivalents

Cash and cash equivalents for purposes of cash flow statement include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand, book overdraft and are considered part of the Group's cash management system.

T. Recent Accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022. The amendment is not expected to have a material impact on the consolidated financial statements of the Company.

NOTE 3.1: PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

	As at March 31, 2022	As at March 31, 2021
Carrying amounts of:		
Land		
- Freehold	1.24	1.24
Leasehold improvements	2.58	8.57
Buildings	643.20	615.18
Plant and Equipment (including electrical installations)	1,409.60	1,430.38
Furniture and fixtures	14.28	11.85
Vehicles	19.35	12.06
Office equipment	31.10	30.96
Computers	6.24	5.79
	2,127.59	**2,116.03**
Capital work-in-progress [Refer note (ii)]	829.32	397.56
	829.32	**397.56**

NOTE 3.1: PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS (CONTD.)

	Freehold land	Leasehold improvements	Buildings	Plant and Equipment (including electrical installations)	Furniture and fixtures	Vehicles	Office equipment	Computers	Total
(A) Cost or deemed cost									
Balance at March 31, 2020	**1.24**	**49.76**	**589.30**	**1,960.00**	**17.22**	**16.15**	**56.67**	**28.05**	**2,718.39**
Additions	-	-	161.87	572.40	3.56	4.44	16.90	2.19	761.36
Disposals	-	-	(0.13)	(1.81)	-	(0.70)	(0.04)	(0.34)	(3.02)
Balance at March 31, 2021	**1.24**	**49.76**	**751.04**	**2,530.59**	**20.78**	**19.89**	**73.53**	**29.90**	**3,476.73**
Additions	-	-	55.15	282.58	4.68	11.50	10.13	3.31	367.35
Disposals	-	-	(0.07)	(27.61)	(0.11)	(4.06)	(0.39)	(0.00)	(32.24)
Balance at March 31, 2022	**1.24**	**49.76**	**806.12**	**2,785.56**	**25.35**	**27.33**	**83.27**	**33.21**	**3,811.84**
(B) Accumulated depreciation and impairment									
Balance at March 31, 2020	**-**	**31.99**	**110.73**	**860.98**	**7.20**	**5.58**	**32.90**	**21.40**	**1,070.78**
Depreciation expense	-	9.20	25.14	240.54	1.73	2.45	9.70	2.99	291.75
Eliminated on disposal	-	-	(0.01)	(1.31)	-	(0.20)	(0.03)	(0.28)	(1.83)
Balance at March 31, 2021	**-**	**41.19**	**135.86**	**1,100.21**	**8.93**	**7.83**	**42.57**	**24.11**	**1,360.70**
Depreciation expense	-	5.99	27.12	297.31	2.16	2.33	9.89	2.86	347.66
Eliminated on disposal	-	-	(0.06)	(21.56)	(0.02)	(2.18)	(0.29)	(0.00)	(24.11)
Balance at March 31, 2022	**-**	**47.18**	**162.92**	**1,375.96**	**11.07**	**7.98**	**52.17**	**26.97**	**1,684.25**
(C) Carrying amount									
Balance at March 31, 2021	**1.24**	**8.57**	**615.18**	**1,430.38**	**11.85**	**12.06**	**30.96**	**5.79**	**2,116.03**
Balance at March 31, 2022	**1.24**	**2.58**	**643.20**	**1,409.60**	**14.28**	**19.35**	**31.10**	**6.24**	**2,127.59**

Notes:

(i) The amount of expenditure recognised in the carrying amount of property, plant and equipment (including capital work-in progress) in the course of construction is ₹7.13 crores (March 31, 2021: ₹27.22 crores) [Refer Note 37].

Notes to the **consolidated financial statements**
All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 3.1: PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS (CONTD.)

(ii) Capital work-in-progress ageing schedule *

Particulars	Amount in capital work-in-progress for a period of				As at
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	March 31, 2022
Projects in Progress	659.68	107.59	60.05	2.00	**829.32**
	659.68	**107.59**	**60.05**	**2.00**	**829.32**

Particulars	Amount in capital work-in-progress for a period of				As at
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	March 31, 2021
Projects in Progress	295.40	92.30	6.86	3.00	**397.56**
	295.40	**92.30**	**6.86**	**3.00**	**397.56**

* There are no capital work-in-progress where completion is overdue against original planned timelines or where estimated cost exceeded its original planned cost as on March 31, 2022 and March 31, 2021. Project execution plans are calibrated annually on the basis of Management's judgement and estimates w.r.t future business, technology developments / economy / industry / regulatory environment and all the projects are assessed as per rolling annual plan.

NOTE 3.2 : RIGHT-OF-USE ASSETS

	As at March 31, 2022	As at March 31, 2021
Right-of-use assets	285.18	243.65
	285.18	**243.65**

	Leasehold land	Buildings	Plant and Equipment (including electrical installations)	Office equipment	Computers	Total
(A) Cost or deemed cost						
Balance at March 31, 2020	**80.59**	**102.93**	**13.59**	**0.01**	**0.30**	**197.42**
Additions	34.47	49.07	4.90	-	0.05	88.49
Disposals	-	(9.36)	-	-	-	(9.36)
Balance at March 31, 2021	**115.06**	**142.64**	**18.49**	**0.01**	**0.35**	**276.55**
Additions	3.70	69.38	-	-	-	73.08
Disposals	-	(25.37)	-	-	-	(25.37)
Balance at March 31, 2022	**118.76**	**186.65**	**18.49**	**0.01**	**0.35**	**324.26**
(B) Accumulated amortisation and impairment						
Balance at March 31, 2020	**0.73**	**18.09**	**0.12**	**-**	**-**	**18.94**
Amortisation expense	0.99	20.97	0.16	0.00*	0.00*	22.12
Eliminated on disposal	-	(8.16)	-	-	-	(8.16)
Balance at March 31, 2021	**1.72**	**30.90**	**0.28**	**0.00**	**0.00**	**32.90**
Amortisation expense	1.21	27.83	0.18	0.00*	0.00*	29.22
Eliminated on disposal	-	(23.04)	-	-	-	(23.04)
Balance at March 31, 2022	**2.93**	**35.69**	**0.46**	**0.00**	**0.00**	**39.08**
(C) Carrying amount						
Balance at March 31, 2021	**113.34**	**111.74**	**18.21**	**0.01**	**0.35**	**243.65**
Balance at March 31, 2022	**115.83**	**150.96**	**18.03**	**0.01**	**0.35**	**285.18**

*Amount below ₹1 lakh

NOTE 4: OTHER INTANGIBLE ASSETS

	As at March 31, 2022	As at March 31, 2021
Carrying amounts of:		
Technical Know-how	58.79	71.43
Software	20.74	23.65
	79.53	**95.08**
Intangible assets under development [Refer Note below]	0.33	1.72
	0.33	**1.72**

	Technical Know-how	Software	Total
(A) Cost or deemed cost			
Balance at March 31, 2020	**-**	**11.07**	**11.07**
Additions	72.70	25.77	98.47
Disposals	-	-	-
Balance at March 31, 2021	**72.70**	**36.84**	**109.54**
Additions	1.00	3.14	4.14
Disposals	-	-	-
Balance at March 31, 2022	**73.70**	**39.98**	**113.68**
(B) Accumulated amortisation and impairment			
Balance at March 31, 2020	**-**	**7.94**	**7.94**
Amortisation expense	1.27	5.25	6.52
Eliminated on disposal	-	-	-
Balance at March 31, 2021	**1.27**	**13.19**	**14.46**
Amortisation expense	13.64	6.05	19.69
Eliminated on disposal	-	-	-
Balance at March 31, 2022	**14.91**	**19.24**	**34.15**
(C) Carrying amount			
Balance at March 31, 2021	**71.43**	**23.65**	**95.08**
Balance at March 31, 2022	**58.79**	**20.74**	**79.53**

Notes:

(i) The amount of expenditure recognised in the carrying amount of intangible assets in the course of development is ₹ Nil (March 31, 2021: ₹0.96 crores)

(ii) Intangible assets under development ageing schedule *

Particulars	Amount in intangible assets under development for a period of				As at
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	March 31, 2022
Projects in Progress	0.08	0.25	-	-	0.33
	0.08	**0.25**	**-**	**-**	**0.33**

Particulars	Amount in intangible assets under development for a period of				As at
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	March 31, 2021
Projects in Progress	1.65	0.07	-	-	**1.72**
	1.65	**0.07**	**-**	**-**	**1.72**

* There are no intangible assets under development where completion is overdue against original planned timelines or where estimated cost exceeded its original planned cost as on March 31, 2022 and March 31, 2021. Project execution plans are calibrated annually on the basis of Management's judgement and estimates w.r.t future business, technology developments / economy / industry / regulatory environment and all the projects are assessed as per rolling annual plan.

NOTE 5: INVESTMENTS

	As at March 31, 2022	As at March 31, 2021
Non-current		
(I) Investments in equity instruments		
Quoted investments (fully paid) [at FVTOCI]		
(i) Standard Batteries Limited 125 (March 31, 2021: 125) equity shares of ₹1 each *	0.00	0.00
(ii) Nicco Corporation Limited 25 (March 31, 2021: 25) equity shares of ₹2 each *	0.00	0.00
(iii) Exide Industries Limited 10,000 (March 31, 2021: 10,000) equity shares of ₹1 each	0.15	0.19
(iv) HBL Power Systems Limited 5,500 (March 31, 2021: 5,500) equity shares of ₹1 each	0.03	0.02
Total aggregate quoted investments [A]	**0.18**	**0.21**
Unquoted investments (fully paid)		
(a) Investments in others (at FVTOCI)		
(i) Indian Lead Limited 1,128 (March 31, 2021: 1,128) equity shares of ₹10 each *	0.00	0.00
(ii) Atria Wind Private Limited 2,500 (March 31, 2021: 2,500) equity shares of ₹100 each	0.03	0.03
(iii) Andhra Pradesh Gas Power Corporation Limited 1,206,000 (March 31, 2021: 1,206,000) equity shares of ₹10 each [also refer footnote to Note 30(i) in respect of the lien on investment]	5.27	6.30
(iv) Log 9 Materials Scientific Private Limited 22,524 (March 31, 2021: Nil) equity shares of ₹1 each [also refer footnote (ii) to Note 40D]	5.47	-
Total aggregate unquoted investments [B]	**10.77**	**6.33**
Total investments in equity instruments [C = A+B]	**10.95**	**6.54**
(II) Investments in preference shares		
Unquoted investments (fully paid) [at FVTOCI]		
(i) Log 9 Materials Scientific Private Limited 58,347 (March 31, 2021: Nil) Compulsorily Convertible Preference Shares of ₹100 each **[D]** [also refer footnote (ii) to Note 40D]	31.52	-
(III) Investments carried at amortised cost		
6 years National Savings Certificates (Refer Note below) **[E]**	0.01	0.01
Total Non-current investments [F=C+D+E]	**42.48**	**6.55**

Note:

The 6 years National Savings Certificates have been lodged as security with government departments.

Aggregate book value of quoted investments - at cost	0.01	0.01
Aggregate market value of quoted investments	0.18	0.21
Aggregate carrying value of unquoted investments	42.29	6.33

* Amounts below ₹1 lakh

NOTE 5: INVESTMENTS (CONTD…)

	As at March 31, 2022	As at March 31, 2021
Current		
Investments mandatorily measured at fair value through profit or loss (FVTPL)		
Quoted investments in mutual funds		
SBI Savings Fund - Direct Plan - Growth Nil units (March 31, 2021: 17,607.18 units of ₹34.20)	-	0.06
SBI Savings Fund - Regular Plan - Growth 28,82,670.63 units of ₹33.69 (March 31, 2021: 2,37,84,493.64 units of ₹32.57)	9.71	77.47
SBI Liquid Fund - Direct Growth Nil units (March 31, 2021: 859.50 units of ₹3,221.62)	-	0.28
HDFC Liquid Fund - Direct Plan - Growth Option Nil units (March 31, 2021: 30,558.04 units of ₹4,045.00)	-	12.36
HDFC Ultra Short Term Fund - Direct - Growth Nil units (March 31, 2021: 1,26,69,141.53 units of ₹11.94)	-	15.13
ICICI Prudential Liquid - Direct Plan - Growth 3,019.42 units of ₹315.26 (March 31, 2021: 19,28,499.57 units of ₹304.74)	0.10	58.77
ICICI Prudential Liquid - Ultra Short Term Fund DP Growth 1,306.81 units of ₹23.81 (March 31, 2021: Nil)	0.00*	-
UTI - Liquid Cash Plan - Direct Growth Plan 21,891.27 units of ₹3,488.04 (March 31, 2021: 1,36,967.46 units of ₹3,370.49)	7.64	46.16
UTI - Ultra Short Term Fund - Direct Growth Plan 509.65 units of ₹3,646.21 (March 31, 2021: Nil)	0.19	-
Kotak Liquid - Direct Plan Growth Nil units (March 31, 2021: 4,867.28 units of ₹4,159.05)	-	2.02
Kotak Overnight Fund - Direct Plan Growth 26.37 units of ₹1,133.80 (March 31, 2021: Nil)	0.00*	-
Aditya Birla Sun Life Saving Fund - Growth- Direct 2,51,707.23 units of ₹445.31 (March 31, 2021: 13,09,651.72 units of ₹426.84)	11.21	55.90
Aditya Birla Sun Life Liquid Fund - Growth - Direct Plan 1,71,544.37 units of ₹343.13 (March 31, 2021: 1,58,909.38 units of ₹331.53)	5.88	5.27
Total Quoted investments measured at FVTPL	**34.73**	**273.42**
Total Current investments	**34.73**	**273.42**
Aggregate book value of quoted investments - at cost	34.52	271.19
Aggregate market value of quoted investments	34.73	273.42

* Amounts below ₹1 lakh

NOTE 6: OTHER FINANCIAL ASSETS

	As at March 31, 2022	As at March 31, 2021
Non-current		
Security deposits*	8.33	4.31
Total	**8.33**	**4.31**

* Includes to related parties ₹4.48 crores (As at March 31, 2021: ₹1.03 crores)

Current		
(a) Advances to related parties:		
(i) Reimbursable expenses	13.92	15.84
(b) Security deposits #	1.06	4.96
(c) Interest accruals:		
(i) Interest accrued on deposits	1.69	4.42
(ii) Interest accrued on overdue trade receivables	0.01	0.04
(d) Others	-	0.26
Total	**16.68**	**25.52**

Includes to related parties ₹ Nil (As at March 31, 2021: ₹3.45 crores)

NOTE 7: INVENTORIES

	As at March 31, 2022	As at March 31, 2021
(at lower of cost and net realisable value)		
(a) Raw materials and bought-out components	621.37	587.33
(b) Work-in-progress	436.39	291.16
(c) Finished goods	505.33	333.96
(d) Stock-in-trade (goods purchased for resale)	103.36	98.01
(e) Stores and spares (including secondary packing material)	137.42	127.86
(f) Loose tools	0.69	0.61
Total	**1,804.56**	**1,438.93**
Raw materials includes material-in-transit	104.45	141.58

Notes:

(i) The cost of inventories recognised as an expense during the year has been disclosed on the face of the Statement of Profit and Loss, Notes 24 and 28.

(ii) The cost of inventories recognised as an expense includes ₹5 crores (during 2020-21: ₹2.21 crores) in respect of write-downs of inventory to net realisable value, and has been reduced by ₹ Nil (during 2020-21: ₹ Nil) in respect of reversal of such write-downs.

(iii) There are no inventories expected to be liquidated after more than twelve months.

(iv) The mode of valuation of inventories has been stated in Note 2.E.

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

NOTE 8: TRADE RECEIVABLES

	As at March 31, 2022	As at March 31, 2021
(a) Unsecured, considered good	792.00	786.93
(b) Considered doubtful	6.75	9.20
	798.75	**796.13**
Less: Allowance for doubtful receivables	(6.75)	(9.20)
Total	**792.00**	**786.93**

Trade Receivables ageing schedule

	Not due	Outstanding for following periods from due date of payment					As at March 31, 2022
		Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Trade receivables - Unsecured							
(i) Undisputed, considered good	620.79	168.07	3.14	-	-	-	**792.00**
(ii) Undisputed, considered doubtful	-	-	-	1.44	0.80	2.78	**5.02**
(iii) Disputed, considered good	-	-	-	-	-	-	**-**
(iv) Disputed, considered doubtful	-	-	-	0.28	0.28	1.17	**1.73**
	620.79	**168.07**	**3.14**	**1.72**	**1.08**	**3.95**	**798.75**
Less: Allowance for doubtful receivables							**(6.75)**
Total							**792.00**

	Not due	Outstanding for following periods from due date of payment					As at March 31, 2021
		Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Trade receivables - Unsecured							
(i) Undisputed, considered good	553.02	228.50	4.77	0.64	-	-	**786.93**
(ii) Undisputed, considered doubtful	-	-	-	1.55	2.06	3.91	**7.52**
(iii) Disputed, considered good	-	-	-	-	-	-	**-**
(iv) Disputed, considered doubtful	-	-	-	0.28	1.40	-	**1.68**
	553.02	**228.50**	**4.77**	**2.47**	**3.46**	**3.91**	**796.13**
Less: Allowance for doubtful receivables							**(9.20)**
Total							**786.93**

Notes:

(i) The average credit period for after market sales is one week and for sales to other customers is in the range of 30 - 60 days. No interest is charged on overdue receivables, except for overdue balances of related parties.

(ii) There are no customers who represent more than 10% of the total balance of trade receivables as at March 31, 2022 and March 31, 2021.

(iii) The Group has used a practical expedient by computing the expected credit loss allowance for doubtful trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking estimates. The expected credit loss allowance is based on the ageing of the receivables which are due and the rates used in the provision matrix.

(iv) **Movement in the expected credit loss allowance**

	For the year ended March 31, 2022	For the year ended March 31, 2021
Balance at the beginning of the year	9.20	24.53
Add: Provision created during the year	2.07	4.91
Less: Provision reversed/released during the year	(4.52)	(20.24)
Balance at the end of the year	**6.75**	**9.20**

NOTE 9: CASH AND CASH EQUIVALENTS

	As at March 31, 2022	As at March 31, 2021
(a) Balances with banks		
(i) in current accounts	29.35	85.60
(ii) in EEFC accounts	0.63	8.26
(b) Cash on hand	0.01	0.02
(c) Cheques on hand	4.87	3.05
Cash and cash equivalents as per the cash flow statement	**34.86**	**96.93**

NOTE 10: OTHER BANK BALANCES

	As at March 31, 2022	As at March 31, 2021
(a) In deposit accounts		
(i) original maturity more than 3 months but less than 12 months	5.21	74.20
(b) In earmarked accounts		
(i) Dividend accounts	3.44	3.60
(ii) Balances held as margin money against guarantees given	10.61	1.28
Total	**19.26**	**79.08**

NOTE 11: OTHER ASSETS

	As at March 31, 2022	As at March 31, 2021
Non-current		
(a) Capital advances	110.78	50.05
(b) Capital advances to related parties	3.73	8.20
(c) Prepaid expenses	1.17	1.29
(d) Balances with government authorities	13.80	13.33
(e) Other deposits (Electricity deposits, for other utilities, etc.)	41.79	37.88
Total	**171.27**	**110.75**
Current		
(a) Contractually reimbursable expenses	2.89	2.80
(b) Commercial advances	52.66	57.90
(c) Advances to employees	0.32	0.30
(d) Balances with government authorities (Advances, GST credit and VAT credit)	23.74	23.24
(e) Prepaid expenses	13.09	8.84
(f) Other receivables (export incentives, etc.)	30.04	27.35
Total	**122.74**	**120.43**

NOTE 12: EQUITY SHARE CAPITAL

	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
(a) Authorised				
Equity shares of ₹1/- each	20,00,00,000	20.00	20,00,00,000	20.00
(b) Issued				
Equity shares of ₹1/- each	17,50,28,500	17.50	17,50,28,500	17.50
(c) Subscribed and fully paid-up				
Equity shares of ₹1/- each	17,08,12,500	17.08	17,08,12,500	17.08
	17,08,12,500	**17.08**	**17,08,12,500**	**17.08**

Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

Equity shares	Number of shares	Share capital (Amount)
Balance at March 31, 2020	17,08,12,500	17.08
Changes during year	-	-
Balance at March 31, 2021	17,08,12,500	17.08
Changes during year	-	-
Balance at March 31, 2022	**17,08,12,500**	**17.08**

(ii) Rights, preferences and restrictions attached to the equity shares:

The Parent Company has only one class of shares referred to as equity shares having a face value of ₹1 each. Each holder of equity share is eligible for one vote per share held. The Company declares and pays dividends in Indian rupees and foreign currency. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in the case of interim dividend. In the event of liquidation, the holders of equity shares will be entitled to receive the remaining assets of the Parent Company after distribution of all preferential amounts, in proportion to the number of equity shares held by the shareholders.

(iii) Details of equity shares held by each shareholder holding more than 5% of the equity shares:

	As at March 31, 2022		As at March 31, 2021	
	Number of shares	%	Number of shares	%
RNGalla Family Private Limited	4,79,32,452	28.06	4,79,32,452	28.06
Clarios ARBL Holdings LP (formerly known as Panther ARBL Holdings LP)	2,39,13,750	14.00	4,09,95,000	24.00
Nalanda India Equity Fund Limited	1,68,80,938	9.88	1,68,80,938	9.88
Life Insurance Corporation of India	1,23,54,916	7.23	-	-

(iv) Details of equity shares held by promoters at the end of the year

Promoter Name	As at March 31, 2022		As at March 31, 2021		% change during the year
	Number of shares	%	Number of shares	%	
RNGalla Family Private Limited	4,79,32,452	28.06	4,79,32,452	28.06	0.00%

NOTE 13: OTHER EQUITY

	As at March 31, 2022	As at March 31, 2021
(a) General reserve	633.72	582.59
This reserve is created by an appropriation from one component of equity (generally retained earnings) to another, not being an item of Other Comprehensive Income. The same can be utilised by the Group in accordance with the provisions of the Companies Act, 2013.		
(b) Capital reserve*	0.00	0.00
Any profit or loss on purchase, sale, issue or cancellation of the Group's own equity instruments is transferred to capital reserve.		
(c) Securities premium	31.19	31.19
This reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.		
(d) Equity instruments through other comprehensive income	(3.78)	(2.72)
Change in fair value of equity instruments through other comprehensive income.		
(e) Retained earnings	3,874.24	3,581.86
Retained earnings represents the cumulative undistributed profits of the Group and can be utilised in accordance with the provisions of the Companies Act, 2013.		
(f) Foreign Currency Translation Reserve	0.03	(0.01)
This reserve contains balance of foreign exchange differences from translation of financial statements of the Group's foreign subsidiary arising at the time of consolidation of such subsidiary. Exchange differences accounted in this reserve are reclassified to profit or loss on the disposal of the foreign subsidiary.		
Total	**4,535.40**	**4,192.91**

*Amount below ₹1 Lakh

NOTE 14: BORROWINGS

	As at March 31, 2022	As at March 31, 2021
Non-current		
Unsecured - at amortised cost		
Deferred Payment Liabilities		
Sales tax deferment loans [Refer Note below]	16.52	23.39
Total	**16.52**	**23.39**
Current		
Unsecured - at amortised cost		
Sales tax deferment loans [Refer Note below]	6.87	10.95
Total	**6.87**	**10.95**

Note:

The interest free sales tax deferment loans were availed by the Company under the Government of Andhra Pradesh TARGET 2000 New Industrial Policy as per which the loans are repayable at the end of the 14th year from the year in which these loans were availed. The Parent Company has also entered into agreements with the Deputy Commissioner of Commercial Taxes, Chittoor in respect of the aforementioned loans as per which the repayment schedule of the loans have been determined as being repayable at the end of the 14th year from the month in which these loans were availed. The Management is however of the view that these loans are repayable at the end of the 14th year from the year in which these loans were availed in terms of the sanction of these loans by the Government of Andhra Pradesh, Commissionerate of Industries and are accordingly making an yearly repayment of these loans.

NOTE 15: LEASE LIABILITIES*

	As at March 31, 2022	As at March 31, 2021
Non-current		
Lease liabilities	77.28	38.59
Total	**77.28**	**38.59**
Current		
Lease Liabilities	25.22	19.39
Total	**25.22**	**19.39**

* Also Refer Note 36

NOTE 16 : PROVISIONS

	As at March 31, 2022	As at March 31, 2021
Non-current		
(a) Employee benefits		
(i) Leave encashment	20.30	18.20
(b) Other provisions		
(i) Product warranty [Refer Note 39]	87.99	77.21
Total	**108.29**	**95.41**
Current		
(a) Employee Benefits		
(i) Leave encashment	4.54	3.82
(ii) Gratuity [Refer Note 32]	0.87	5.94
(b) Other provisions		
(i) Product warranty [Refer Note 39]	131.88	108.84
Total	**137.29**	**118.60**

17. DEFERRED TAX LIABILITIES (NET)

	As at March 31, 2022	As at March 31, 2021
The following is the analysis of deferred tax assets/(liabilities) presented in the Balance Sheet :		
(a) Deferred tax assets	13.67	15.86
(b) Deferred tax liabilities	(45.04)	(56.60)
Total	**(31.37)**	**(40.74)**

2021-2022 Deferred tax (liabilities) / assets in relation to :	Opening balance	Recognised in profit and loss	Recognised in other comprehensive income	Closing balance
Property, plant and equipment	(55.91)	10.87	-	(45.04)
Financial assets measured at FVTOCI	5.32	-	-	5.32
Provision for doubtful receivables	2.32	(0.62)	-	1.70
Provision for employee benefits	8.22	(1.57)	-	6.65
Others	(0.69)	0.69	-	-
	(40.74)	**9.37**	**-**	**(31.37)**

Notes to the **consolidated financial statements**
All amounts are in ₹ crores, except share data and where otherwise stated

2020-2021 Deferred tax (liabilities) / assets in relation to :	Opening balance	Recognised in profit and loss	Recognised in other comprehensive income	Closing balance
Property, plant and equipment	(63.08)	7.17	-	(55.91)
Financial assets measured at FVTOCI	5.32	-	-	5.32
Provision for doubtful receivables	6.54	(4.22)	-	2.32
Provision for employee benefits	5.53	2.69	-	8.22
Others	1.56	(2.25)	-	(0.69)
	(44.13)	**3.39**	**-**	**(40.74)**

NOTE 18: TRADE PAYABLES

		As at March 31, 2022	As at March 31, 2021
(a)	Total outstanding dues of Micro enterprises and small enterprises [Refer Note 31]	23.05	44.14
(b)	Total outstanding dues of creditors other than Micro enterprises and small enterprises	782.45	702.36
		805.50	**746.50**

Trade Payables ageing schedule

	Not due	Outstanding for following periods from due date of payment				As at March 31, 2022
		Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) MSME	23.05	-	-	-	-	**23.05**
(ii) Other than MSME	512.28	122.59	1.09	0.92	2.68	**639.56**
(iii) Disputed dues - MSME	-	-	-	-	-	**-**
(iv) Disputed dues - Other than MSME	142.89	-	-	-	-	**142.89**
	678.22	**122.59**	**1.09**	**0.92**	**2.68**	**805.50**

	Not due	Outstanding for following periods from due date of payment				As at March 31, 2021
		Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) MSME	44.14	-	-	-	-	**44.14**
(ii) Other than MSME	452.15	98.51	4.04	1.94	1.82	**558.46**
(iii) Disputed dues - MSME	-	-	-	-	-	**-**
(iv) Disputed dues - Other than MSME	143.90	-	-	-	-	**143.90**
	640.19	**98.51**	**4.04**	**1.94**	**1.82**	**746.50**

NOTE 19: OTHER FINANCIAL LIABILITIES

	As at March 31, 2022	As at March 31, 2021
Current		
(a) Unpaid dividends	3.44	3.60
(b) Other payables:		
(i) Payables on purchase of property, plant and equipment	149.47	71.52
(ii) Others (employee related, others) [Refer Note below]	145.88	130.21
Total	**298.79**	**205.33**

Note:

Other liabilities includes employees related payables (including payable to Chairman, Managing Director & CEO and Executive Directors), commission payable to Other Directors, outstanding liabilities for incentives and trade schemes, etc.

NOTE 20: INCOME TAX ASSETS /LIABILITIES (NET)

	As at March 31, 2022	As at March 31, 2021
Non-Current		
Advance tax / TDS receivable (net of provisions)	7.24	-
Total	**7.24**	**-**
Current		
Income tax payable (net of advance tax)	-	4.18
Total	**-**	**4.18**

NOTE 21: OTHER LIABILITIES

	As at March 31, 2022	As at March 31, 2021
Non-current		
(a) Revenue received in advance		
(i) Deferred revenue arising from government grant [Refer Note below]	63.69	59.26
Total	**63.69**	**59.26**
Current		
(a) Revenue received in advance		
(i) Deferred revenue arising from government grant [Refer Note below]	12.81	11.69
(b) Statutory remittances (GST, PF, VAT, TDS, etc.)	51.70	43.16
(c) Advances from customers	51.35	27.12
(d) Others (includes accruals relating to trade promotion schemes)	136.94	142.59
Total	**252.80**	**224.56**

Note:

The deferred revenue of ₹76.50 crores (March 31, 2021: ₹70.95 crores) arises primarily as a result of duty benefit received on import of plant and equipment under Export Promotion Capital Goods (EPCG) schemes of the Government of India. The deferred revenue will be recognised in the Statement of Profit and Loss in the proportion of depreciation charged on such assets.

NOTE 22: REVENUE FROM OPERATIONS

	For the year ended March 31, 2022	For the year ended March 31, 2021
a. Sale of products (Refer Note (i) below)	8,612.86	7,091.59
b. Sale of services (Refer Note (ii) below)	41.84	41.65
c. Other operating revenues (Refer Note (iii) below)	42.45	16.54
Total	**8,697.15**	**7,149.78**
Notes:		
(i) Sale of products comprises:		
Manufactured goods		
- Storage batteries	8,080.76	6,682.26
Sub-total - Sale of manufactured goods	**8,080.76**	**6,682.26**
Traded goods		
- Storage batteries	433.61	317.31
- Home UPS	98.49	92.02
Sub-total - Sale of traded goods	**532.10**	**409.33**
Total - Sale of products	**8,612.86**	**7,091.59**

NOTE 22: REVENUE FROM OPERATIONS (CONTD.)

	For the year ended March 31, 2022	For the year ended March 31, 2021
(ii) Sale of services comprise:		
- Installation and Commissioning	5.04	4.26
- Annual Maintenance	0.40	13.09
- Others (subject and other matters experts, service charges, etc.)	36.40	24.30
Total - Sale of services	**41.84**	**41.65**
(iii) Other operating revenues comprise:		
- Sale of process scrap	4.35	4.28
- Export benefits (including MEIS, RoDTEP, Duty Drawback & EPCG benefits) [Refer Note (iv) below]	38.10	12.26
Total - Other operating revenues	**42.45**	**16.54**

(iv) Includes₹12.85 crores (for the year ended March 31, 2021: ₹9.65 crores) recognised as income in proportion to the depreciation charged to the Statement of Profit and Loss. [Refer Note 21]

NOTE 23: OTHER INCOME

	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Interest income		
(i) Interest income earned on financial assets that are not designated as at FVTPL		
- Bank deposits (at amortised cost)	2.13	4.15
- Other financial assets carried at amortised cost	0.78	0.73
- Unwinding of discounts on rental deposits	0.27	0.17
	3.18	**5.05**
b) Dividend income		
(i) Dividend from equity investments designated as at FVTOCI *	0.00	0.00
*Amount below ₹1 Lakh	**0.00**	**0.00**
c) Other non-operating income		
(i) Interest income on other deposits	1.42	1.26
(ii) Sale of non process scrap	6.13	4.87
(iii) Liabilities no longer required written back	9.39	13.16
(iv) Provision for doubtful trade receivables written back	2.96	19.22
(v) Others	9.51	4.45
	29.41	**42.96**
d) Other gains and losses		
(i) Gain on disposal of mutual fund units	11.62	14.18
(ii) Net foreign exchange gains	33.56	22.94
(iii) Net gain arising on financial assets mandatorily measured at FVTPL [Refer Note below]	0.21	2.23
	45.39	**39.35**
Total (a+b+c+d)	**77.98**	**87.36**

Note:

The amount represents the increase in fair value on non-derivative current investments which are mandatorily measured at fair value [Refer Note 5]

NOTE 24: CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	For the year ended March 31, 2022		For the year ended March 31, 2021	
Inventories at the beginning of the year				
Finished goods - storage batteries		333.96		339.97
Work-in-progress		291.16		276.58
Stock-in-trade				
- Storage batteries	82.40		18.29	
- Home UPS	15.61	98.01	20.06	38.35
[A]		**723.13**		**654.90**
Inventories at the end of the year				
Finished goods - storage batteries		505.33		333.96
Work-in-progress		436.39		291.16
Stock-in-trade		-		
- Storage batteries	59.47		82.40	
- Home UPS	43.89	103.36	15.61	98.01
[B]		**1,045.08**		**723.13**
(Increase) in finished goods, work-in-progress and stock-in-trade [A-B]		**(321.95)**		**(68.23)**

NOTE 25: EMPLOYEE BENEFITS EXPENSE

	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Salaries and wages	389.61	328.53
(b) Contribution to provident and other funds [Refer Note 32]	37.66	43.34
(c) Staff welfare expenses	72.04	54.77
Total	**499.31**	**426.64**

NOTE 26: FINANCE COSTS

	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Other borrowing costs:		
(i) Unwinding of discounts on warranty provision	8.36	6.58
(ii) Interest on leases liabilities [Refer Note 36]	5.98	3.44
(iii) Others	0.76	0.51
Total	**15.10**	**10.53**

NOTE 27: DEPRECIATION AND AMORTISATION EXPENSE

	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation of property, plant and equipment (including on right-of-use assets) [Refer Note 3.1 and 3.2]	376.88	313.87
Amortisation of intangible assets [Refer Note 4]	19.69	6.52
Less: Depreciation capitalised to property, plant and equipment/ capital work-in-progress	(0.85)	(1.23)
Total	**395.72**	**319.16**

NOTE 28: OTHER EXPENSES

	For the year ended March 31, 2022		For the year ended March 31, 2021	
Consumption of stores and spares (including packing material)		126.76		97.24
Tools consumed		0.90		0.84
Power and fuel		249.58		212.98
Rent		2.29		1.58
Repairs and maintenance				
- Plant and machinery		9.16		6.53
- Buildings		6.97		3.87
- Others		6.40		6.16
Insurance		12.55		9.85
Rates and taxes		4.45		7.13
Communication		2.01		2.05
Travelling and conveyance		12.24		6.35
Outward freight and handling charges		260.05		203.74
Advertisement and sales promotion		38.34		27.02
Expenditure on Corporate Social Responsibility [Refer Note 44]		16.43		15.20
Legal and professional		26.59		9.93
Payment to auditors [Refer Note below]		1.24		0.97
Bad trade receivables written off	3.48		1.50	
Less : Provision released	(1.56)		(1.02)	
		1.92		0.48
Provision for doubtful trade receivables		2.07		4.91
Provision for doubtful advances and other receivables		1.30		4.34
Loss on sale of property, plant and equipment (net) / written off		6.96		0.91
Warranty expenses (net)		148.98		102.77
Service expenses		29.91		23.13
Printing and stationery		1.88		1.48
Miscellaneous expenses		83.55		113.62
Total		**1,052.53**		**863.08**
Note:				
Payment to auditors comprise (net of GST) *				
(a) To statutory auditors				
- Statutory audit fee		0.92		0.72
- Limited review fee		0.20		0.15
- Tax audit fee		0.05		0.05
- Reimbursement of expenses		0.02		0.01
(b) To cost auditor for cost audit		0.05		0.04
		1.24		**0.97**

* Excludes payment to other than network firm of ₹ Nil (for the year ended March 31, 2021: ₹ 0.10 crores) in respect of other non-audit services.

NOTE 29: INCOME TAX RECOGNISED IN PROFIT OR LOSS

	For the year ended March 31, 2022	For the year ended March 31, 2021
Current Tax		
In respect of the current year	187.97	229.50
In respect of the prior years	(0.05)	0.41
Total	**187.92**	**229.91**
Deferred Tax		
In respect of the current year	(9.37)	(3.39)
Total	**(9.37)**	**(3.39)**
Total income tax expense recognised	**178.55**	**226.52**
The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax	**691.12**	**873.35**
Income tax expense calculated at 25.168% (2020-21 : 25.168%)	173.94	219.80
Tax effects of amounts which are not deductible in determining taxable profit	7.30	8.33
Effect of concessions (research and development and other allowances)	(2.69)	(1.61)
Income tax expense recognised in profit or loss	**178.55**	**226.52**

Note:

The tax rate used for the year 2021-2022 and 2020-2021 reconciliations above is the corporate tax rate of 25.168% payable by corporate entities in India on taxable profits under the Indian tax law.

NOTE 30: CONTINGENT LIABILITIES AND COMMITMENTS

	As at March 31, 2022	As at March 31, 2021
(i) Contingent Liabilities (to the extent not provided for) :		
Claims against the Company not acknowledged as debt		
Matters under dispute:		
- Excise duty / Service tax	61.00	58.42
- Sales tax/VAT and GST	9.89	10.91
- Income tax	0.86	3.86
- Electricity related [Refer Note below]	33.43	25.22
- Other (Building and other construction workers welfare cess, wealth tax, etc.)	8.95	8.95

It is not practicable for the Group to estimate the closure of these issues and the consequential timings of cash flows, if any, in respect of the above.

Note :

Includes an amount of ₹8.04 crores which has been claimed by Andhra Pradesh Gas Power Corporation Limited ('APGPCL') with respect to the power supplied by it to the Parent Company through Andhra Pradesh Southern Power Distribution Corporation Limited ('APSPDCL'). The Management of the Parent has contended that the said dues charged by APSPDCL as part of the regular electricity bills has been duly discharged by the Company to APSPDCL.

APGPCL has also consequently placed a lien on the investment held by the Parent Company in it for non-payment of dues. The Management of the Parent has initiated arbitration proceedings against the claim and the said action of APGPCL and is confident of a favourable outcome in this matter.

(ii) Commitments:		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	373.41	750.66
(b) As part of its strategic initiatives to venture into new energy business and EV batteries, the Parent Company has entered into transaction agreements with InoBat Auto AS, Oslo Norway ('InoBat Auto') for investments by way of equity and convertible instruments in InoBat Auto in one or more tranches for a value upto EURO 10 million. The investment was completed on May 5, 2022.		
(c) The Group has certain outstanding export obligations/ commitments which the Management is confident of meeting within the stipulated period of time / obtaining suitable extensions, wherever required.		

NOTE 31: BASED ON AND TO THE EXTENT OF INFORMATION AVAILABLE WITH THE COMPANY UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (MSMED ACT), THE RELEVANT PARTICULARS AS AT REPORTING DATE ARE FURNISHED BELOW:

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Principal amount due to suppliers under MSMED Act, as at the end of the year	23.05	44.14
(ii) Interest accrued and due to suppliers under MSMED Act on the above amount as at the end of the year	-	-
(iii) Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
(iv) Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
(v) Interest paid to suppliers under MSMED Act (Section 16)	-	0.04
(vi) Interest due and payable to suppliers under MSMED Act for payments already made	-	-
(vii) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (ii) + (vi)	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

NOTE 32: EMPLOYEE BENEFITS

The Parent Company has adopted Indian Accounting Standard - 19 (Ind AS 19) on 'Employee Benefits'. These consolidated financial statements include the obligations as per the requirement of this standard except for the subsidiary which is incorporated outside India which has determined the valuation provision for employee benefits as per the requirements of Sharjah, U.A.E. In the opinion of the Management the impact of this deviation is not considered material.

a. Defined contribution plans

The Parent Company makes Provident Fund, Superannuation Fund and Employees' State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. The Parent Company recognised ₹14.51 crores (Year ended March 31, 2021: ₹12.12 crores) for provident fund contributions, ₹15.35 crores (Year ended March 31, 2021: ₹15.38 crores) for Superannuation Fund contributions and ₹3.93 crores (Year ended March 31, 2021: ₹3.74 crores) towards Employees' State Insurance Scheme contributions in the Consolidated Statement of Profit and Loss.

b. Defined benefit plans

The Group provides to the eligible employees defined benefit plans in the form of gratuity. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days' salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service. The measurement date used for determining retirement benefits for gratuity is March 31.

These plans typically expose the Group to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Risk Management:

Investment risk - The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Interest rate risk - The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Longevity risk - The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk - The present value of the defined benefit plan is calculated with reference to the future salaries of participants under the plan. Increase in salary due to adverse inflationary pressures might lead to higher liabilities.

(i) Balance Sheet

The assets, liabilities and surplus / (deficit) position of the defined benefit plans at the Balance Sheet date were:

	As at March 31, 2022	As at March 31, 2021
Present value of obligation	59.07	56.00
Fair value of plan assets	(58.20)	(50.06)
Liability recognised in the Balance Sheet	**0.87**	**5.94**

(ii) Movements in Present Value of Obligation and Fair Value of Plan Assets

	Plan Assets	Plan Obligation	Total Net
As at March 31, 2020	**40.13**	**43.69**	**3.56**
Current service cost	-	3.80	3.80
Past service cost	-	7.31	7.31
Interest cost	-	2.86	2.86
Interest income	2.64	-	(2.64)
Actuarial (gain)/loss arising from changes in financial assumptions	-	(0.03)	(0.03)
Contributions	8.87	-	(8.87)
Benefit payments	(1.70)	(1.70)	-
Return on plan assets, excluding interest income	0.05	-	(0.05)
Transfer to Group Companies	0.07	0.07	-
As at March 31, 2021	**50.06**	**56.00**	**5.94**
Current service cost	-	4.50	4.50
Past service cost	-	(2.07)	(2.07)
Interest cost	-	3.68	3.68
Interest income	3.29	-	(3.29)
Actuarial (gain)/loss arising from changes in financial assumptions	-	(1.19)	(1.19)
Contributions	6.13	-	(6.13)
Benefit payments	(2.39)	(2.39)	-
Return on plan assets, excluding interest income	0.57	-	(0.57)
Transfer to Group Companies	0.54	0.54	-
As at March 31, 2022	**58.20**	**59.07**	**0.87**

(iii) Statement of Profit and Loss
The charge to the Statement of Profit and Loss comprises:

	Year ended March 31, 2022	Year ended March 31, 2021
Employee Benefit Expenses		
Current service cost	4.50	3.80
Interest cost	3.68	2.86
Past service cost	(2.07)	7.31
Interest income	(3.29)	(2.64)
Net impact on profit before tax	**2.80**	**11.33**
Remeasurement of the net defined benefit plan		
Actuarial (gain)/loss arising from changes in financial assumptions	(1.19)	(0.03)
Return on plan assets, excluding interest income	(0.57)	0.05
Net impact on other comprehensive income before tax	**(1.76)**	**0.02**

(iv) Assets

The major categories of plan assets as a % of the total plan assets

	As at March 31, 2022	As at March 31, 2021
Funded with Life Insurance Corporation of India	100%	100%

Notes to the **consolidated financial statements**
All amounts are in ₹ crores, except share data and where otherwise stated

(v) Assumptions

With the objective of presenting the plan assets and plan obligations of the defined benefits plans at their fair value on the Balance Sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

	As at March 31, 2022	As at March 31, 2021
Discount rate	6.90%	6.57%
Salary escalation rate	7.00%	7.00%

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

Demographic assumptions

Mortality in Service: Indian Assured Lives Mortality 2012-14 (Urban) [Year ended March 31, 2021: Indian Assured Lives Mortality (2006-08) Ultimate table].

(vi) Sensitivity analysis

The sensitivity of the overall plan obligations to changes in the weighted key assumptions are:

	As at March 31, 2022		As at March 31, 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(3.34)	3.76	(3.27)	3.69
Salary escalation rate (1% movement)	3.41	(3.16)	3.32	(3.07)

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the Balance Sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous year.

(vii) Maturity analysis
Maturity profile of defined benefit obligation:

	As at March 31, 2022	As at March 31, 2021
Within 1 year	6.75	6.09
1-2 year	6.29	6.05
2-3 year	6.86	5.83
3-4 year	5.74	6.07
4-5 year	5.90	5.20
5-10 year	26.66	24.67
> 10 Year	41.02	39.06

The Company expects to contribute ₹5.11 crores to its defined benefit plans during the next fiscal year.

NOTE 33: SEGMENT REPORTING

The Chairman, Managing Director & CEO of the Parent Company has been identified as the Chief Operating Decision Maker (CODM) who evaluates the Company's performance and allocates resources for manufacture and marketing of lead acid storage batteries. Accordingly, manufacturing and trading of lead acid storage batteries is considered as the operating segment of the Group.

Geographical information

The Group operates in India and makes certain sales to customers situated outside India. The revenue from external customers by location of customers is detailed below. All the non-current assets of the Group are situated within India.

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

NOTE 33: SEGMENT REPORTING (Contd...)

Revenue

	For the year ended March 31, 2022	For the year ended March 31, 2021
India	7,558.17	6,268.17
Outside India	1,138.98	881.61
Total	**8,697.15**	**7,149.78**

Refer to Note 40 on Financial Instruments and related disclosures for information on revenue from major customers.

NOTE 34: RELATED PARTY TRANSACTIONS

(a) Details of related parties

Entity exercising significant influence	
RNGalla Family Private Limited	
Key Management Personnel [KMP]	
Jayadev Galla	Chairman, Managing Director & CEO (Vice-Chairman & Managing Director upto August 13, 2021 and Chairman w.e.f. August 14, 2021)
Harshavardhana Gourineni	Executive Director (w.e.f. June 12, 2021)
Vikramadithya Gourineni	Executive Director (w.e.f. June 12, 2021)
Relative of Key Management Personnel	
Dr. Ramachandra N. Galla	Chairman and Non-Executive Director (upto August 14, 2021)
Dr. Ramadevi Gourineni	Non-Executive Director (upto June 12, 2021)
G. Amara Kumari	Relative of Jayadev Galla
Ashok Galla	Relative of Jayadev Galla
Siddharth Galla	Relative of Jayadev Galla
Entities in which KMP / Relatives of KMP exercise significant influence	
Asistmi Solutions Private Limited	
Amara Raja Electronics Limited	
G2 Healthcare Private Limited	
Nine Nines Lifestyle Private Limited	
Rajanna Trust	
Amara Raja Blaze Technologies Private Limited (w.e.f. July 24, 2020)	
HG Global Private Limited (w.e.f. July 09, 2021)	
Subsidiaries of the entity exercising significant influence	
Mangal Industries Limited	
Amara Raja Infra Private Limited	
Amara Raja Power Systems Limited	
Amara Raja Media and Entertainment Private Limited	

NOTE 34: RELATED PARTY TRANSACTIONS (CONTD.)

(b) Transactions with the above related parties during the year were:

Particulars	For the year ended March 31, 2022 *	For the year ended March 31, 2021
Sale of goods (Net of sale returns)		
Amara Raja Power Systems Limited	15.46	20.83
Amara Raja Electronics Limited	0.02	-
Mangal Industries Limited	1.02	0.56
RNGalla Family Private Limited	0.05	0.02
Rental Income		
Mangal Industries Limited	0.18	-
Purchase of goods		
Amara Raja Power Systems Limited	67.28	105.74
Amara Raja Electronics Limited	92.25	4.41
Mangal Industries Limited	864.02	808.42
RNGalla Family Private Limited	0.05	0.01
Availing of services		
Amara Raja Infra Private Limited	86.79	80.47
Rajanna Trust	0.13	0.12
G2 Healthcare Private Limited	1.41	0.19
Purchase of Fixed Assets		
Amara Raja Power Systems Limited	242.84	40.07
Amara Raja Electronics Limited	0.42	0.97
Mangal Industries Limited	56.80	43.87
Amara Raja Infra Private Limited	108.71	176.96
Rent Expense		
Jayadev Galla	3.64	4.06
Dr. Ramachandra N. Galla	0.57	0.64
Dr. Ramadevi Gourineni	3.30	3.66
Harshavardhana Gourineni	0.02	-
Vikramadithya Gourineni	0.02	-
G. Amara Kumari	0.03	-
Ashok Galla	0.02	-
Siddharth Galla	0.02	-
Amara Raja Infra Private Limited	2.43	0.22
Donation Expense		
Rajanna Trust	16.43	17.48

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

NOTE 34: RELATED PARTY TRANSACTIONS (CONTD.)

(b) Transactions with the above related parties during the year were:

Particulars	For the year ended March 31, 2022 *	For the year ended March 31, 2021
Expenses reimbursed to		
Amara Raja Power Systems Limited	0.14	0.01
Amara Raja Electronics Limited	0.00	-
Mangal Industries Limited	0.08	-
Amara Raja Infra Private Limited	0.03	0.13
RNGalla Family Private Limited	-	4.86
Dividends Paid (including interim dividend)		
RNGalla Family Private Limited	47.93	23.97
Expenses recovered from		
Amara Raja Power Systems Limited	7.76	8.57
Amara Raja Electronics Limited	0.87	0.81
Mangal Industries Limited	11.49	11.16
Amara Raja Infra Private Limited	4.55	4.10
RNGalla Family Private Limited	0.55	0.57
Interest Income		
Amara Raja Power Systems Limited	0.12	0.32
Amara Raja Electronics Limited	0.16	0.03
Mangal Industries Limited	0.73	0.43
Amara Raja Infra Private Limited	0.01	0.05
RNGalla Family Private Limited	0.00	0.01
Other recoveries		
Mangal Industries Limited	38.61	39.63
Remuneration		
Jayadev Galla	38.01	47.35
Harshavardhana Gourineni	15.25	-
Vikramadithya Gourineni	15.25	-
Commission		
Dr. Ramachandra N. Galla	-	28.41

*Current year transactions have been disclosed net of applicable taxes. Previous year transactions were disclosed gross of applicable taxes.

NOTE 34: RELATED PARTY TRANSACTIONS (CONTD.)

(c) Balances receivable from / payable to related parties are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Receivables		
Amara Raja Power Systems Limited	8.35	7.13
Mangal Industries Limited	10.46	-
Security Deposits		
Jayadev Galla	2.12	2.12
Dr. Ramachandra N. Galla	0.32	0.32
Dr. Ramadevi Gourineni	2.04	2.04
Interest Receivable		
Amara Raja Power Systems Limited	-	0.02
Amara Raja Electronics Limited	0.14	0.00
Mangal Industries Limited	0.01	0.02
Amara Raja Infra Private Limited	0.00	0.00
RNGalla Family Private Limited	0.00	0.00
Rent Receivable		
Mangal Industries Limited	0.20	-
Advances (including contractually reimbursable expenses)		
Amara Raja Power Systems Limited	7.51	6.79
Amara Raja Electronics Limited	9.47	1.67
Mangal Industries Limited	3.05	17.26
Amara Raja Infra Private Limited	2.16	1.57
RNGalla Family Private Limited	0.12	0.08
Trade payables		
Amara Raja Power Systems Limited	0.45	8.27
Amara Raja Electronics Limited	9.52	0.11
Mangal Industries Limited	4.86	27.41
Amara Raja Infra Private Limited	8.26	7.76
RNGalla Family Private Limited	-	0.79
Payables on purchase of fixed assets		
Amara Raja Power Systems Limited	64.85	8.33
Amara Raja Electronics Limited	-	0.05
Mangal Industries Limited	9.53	5.88
Amara Raja Infra Private Limited	19.10	21.89
Other Payables		
Rajanna Trust	-	2.27

NOTE 34: RELATED PARTY TRANSACTIONS (CONTD.)

(c) Balances receivable from / payable to related parties are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Other Payables (Employee Related)		
Jayadev Galla	35.60	45.06
Harshavardhana Gourineni	14.10	-
Vikramadithya Gourineni	14.10	-
Commission payable to Non-Executive Directors		
Dr. Ramachandra N. Galla	-	28.41
Rent Payable		
Jayadev Galla	0.34	0.33
Dr. Ramachandra N. Galla	0.04	0.04
Dr. Ramadevi Gourineni	0.28	0.25
Harshavardhana Gourineni	0.02	-
Vikramadithya Gourineni	0.02	-
G. Amara Kumari	0.03	-
Ashok Galla	0.02	-
Siddharth Galla	0.02	-
Amara Raja Infra Private Limited	0.44	0.21
Capital commitments		
Amara Raja Power Systems Limited	24.87	236.55
Amara Raja Electronics Limited	0.36	0.07
Mangal Industries Limited	42.40	44.08
Amara Raja Infra Private Limited	82.62	102.64

NOTE 35: EARNINGS PER SHARE (EPS)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit for the year (in ₹ crores) [A]	512.57	646.83
Weighted average number of equity shares outstanding during the year (No's) [B]	17,08,12,500	17,08,12,500
Earnings per share (Face Value of ₹1 per share)		
- Basic and diluted (in ₹) [A/B]	**30.01**	**37.87**

Notes to the **consolidated financial statements**
All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 36: LEASES

Particulars	As at March 31, 2022	As at March 31, 2021
(i) The following is the breakup of current and non-current lease liabilities		
Current liabilities	25.22	19.39
Non-current liabilities	77.28	38.59
	102.50	**57.98**
(ii) The following is the movement of lease liabilities during the year ended March 31:		
Balance at the beginning	57.98	37.10
Additions during the year	63.51	37.12
Finance cost accrued during the year	5.98	3.44
Payment of lease liabilities	(24.97)	(19.68)
Balance at the end	**102.50**	**57.98**
(iii) Maturity analysis of lease liabilities		
Less than one year	25.22	19.39
One to five years	64.26	34.25
More than five years	13.02	4.34
	102.50	**57.98**

NOTE 37: REVENUE EXPENDITURE CAPITALIZED TO FIXED ASSETS/ CAPITAL WORK-IN-PROGRESS

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Employee benefits expense	-	6.55
(b) Cost of material consumed (net) (Refer Note below)	6.28	13.94
(c) Power and Fuel	-	5.37
(d) Depreciation and amortization expense	0.85	1.23
(e) Others	-	1.09
Total	**7.13**	**28.18**

Note: Net of income from sale of batteries, scrap, etc., ₹13.03 crores (Year ended March 31, 2021: ₹27.52 crores)

NOTE 38: DETAILS OF EXPENDITURE INCURRED ON RESEARCH AND DEVELOPMENT

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue expenditure:		
(a) Cost of materials consumed	0.88	0.85
(b) Consumption of stores and spares (including secondary packing material)	0.36	0.15
(c) Employee benefits expense	8.10	8.34
(d) Power and fuel	0.78	0.63
(e) Others	0.72	0.78
Total Revenue expenditure [A]	**10.84**	**10.75**
Capital expenditure [B]	4.95	0.05
Total [A+B]	**15.79**	**10.80**

NOTE 39: DETAILS OF PROVISIONS

(a) Provision for warranty is made for estimated warranty claims in respect of sale of certain storage batteries which are still under warranty at the end of the reporting period, the estimated cost of which is accrued at the time of sale. These claims are expected to be settled as and when warranty claims arise. The provision for warranty claims represents the present value of the Management's best estimate of the future outflow of economic benefits that will be required under the Group obligation for warranties. Management estimates the provision based on historical warranty claim information and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality. The products are generally covered under a free warranty period ranging from 6 months to 42 months.

(b) The disclosure of provisions movement as required under the provisions of Ind AS 37 is as follows:-

	For the year ended March 31, 2022	For the year ended Mar3ch 31, 2021
Balance as at April 1	**186.05**	**161.17**
Additional provisions recognised	156.91	142.24
Amount utilised / reversed during the year	(131.45)	(123.94)
Unwinding of discount and effect of changes in the discount rate	8.36	6.58
Balance as at March 31	**219.87**	**186.05**
Out of the above,		
Classified under Non-current provisions (Refer Note 16)	87.99	77.21
Classified under Current provisions (Refer Note 16)	131.88	108.84

NOTE 40: FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

A. Capital Management

The Group financial strategy aims to support its strategic priorities and provide adequate capital to its businesses for growth and creation of sustainable stakeholder value. The Group funds its operations through internal accruals. The Group aims at maintaining a strong capital base largely towards supporting the future growth of its businesses as a going concern. The capital structure of the Company is based on Management's judgment of its strategic day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The Management and the Board of Directors monitor the return on capital as well as the level of dividends to shareholders. The Group may take appropriate steps in order to maintain, or if necessary, adjust its capital structure.

Equity share capital and other equity are considered for the purpose of Group's Capital Management.

B. Categories of Financial Instruments

Particulars	Carrying value		Fair value	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Financial assets				
Measured at amortised cost				
(i) Cash and cash equivalents	34.86	96.93	34.86	96.93
(ii) Other bank balances	19.26	79.08	19.26	79.08
(iii) Trade receivables	792.00	786.93	792.00	786.93
(iv) Other financial assets	25.01	29.83	25.01	29.83
(v) Investments	0.01	0.01	0.01	0.01
Measured at FVTOCI				
(i) Investments in equity instruments	10.95	6.54	10.95	6.54
(ii) Investments in preference shares	31.52	-	31.52	-

NOTE 40: FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES (CONTD.)

B. Categories of Financial Instruments

Particulars	Carrying value		Fair value	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Measured at FVTPL				
Mandatorily measured:				
Current investment- Mutual funds	34.73	273.42	34.73	273.42
Total Financial assets	**948.34**	**1,272.74**	**948.34**	**1,272.74**
Financial liabilities				
Measured at amortised cost				
(i) Borrowings	23.39	34.34	23.39	34.34
(ii) Trade payables	805.50	746.50	805.50	746.50
(iii) Other financial liabilities	298.79	205.33	298.79	205.33
(iv) Lease Liabilities	102.50	57.98	102.50	57.98
Total Financial liabilities	**1,230.18**	**1,044.15**	**1,230.18**	**1,044.15**

C. Financial risk management objectives

The Group has a system-based approach to risk management, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as market risk, foreign currency risk, credit risk and liquidity risk) that may arise as a consequence of its business operations as well as its investing and financing activities. Accordingly, the Group's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulation. It also seeks to drive accountability in this regard. The key risks and mitigating actions are overseen by the Board of Directors of the Group.

Liquidity Risk

The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the Company has unutilised credit limits with banks. The Group maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended March 31, 2021 and March 31, 2020. Cash flow from operating activities provides the funds to service the financial liabilities on a day to day basis.

The Group regularly maintains the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits and mutual funds with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The Group's current assets aggregate ₹2,824.83 crores (March 31, 2021 ₹2,821.24 crores) including Current investments, Cash and cash equivalents and Other bank balances of ₹88.85 crores (March 31, 2021 ₹449.43 crores) against an aggregate current liability of ₹1,526.47 crores (March 31, 2021 ₹1,329.51 crores). The table below provides details regarding the contractual maturities of significant non-current financial liabilities as of March 31, 2022 and March 31, 2021. Contractual maturities in respect of lease liabilities has been disclosed in Note 36.

	As at March 31, 2022			
	1-3 years	3-5 years	Above 5 years	Total
Borrowings (Non-current)	16.52	-	-	**16.52**

	As at March 31, 2021			
	1-3 years	3-5 years	Above 5 years	Total
Borrowings (Non-current)	13.75	9.64	-	**23.39**

Further, while the Group's total equity stands at ₹4,552.48 crores (March 31, 2021: ₹4,209.99 crores), it has borrowings of ₹23.39 crores (March 31, 2021: ₹34.34 crores). In such circumstances, liquidity risk or the risk that the Group may not be able to settle or meet its obligations as they become due does not exist.

Market Risk

The Group continues to hold certain investments in equity for long term value accretion which are accordingly measured at fair value through Other Comprehensive Income. The value of investments in such equity instruments as at March 31, 2022 is ₹42.47 crores (March 31, 2021 ₹6.54 crores). Accordingly, fair value fluctuations arising from market volatility is recognised in Other Comprehensive Income.

As the Group is virtually debt-free and its deferred payment liabilities do not carry interest, the exposure to interest rate risk from the perspective of financial liabilities is negligible. Further, treasury activities, focused on managing current investments are administered under a set of approved policies and procedures guided by the tenets of liquidity, safety and returns. This ensures that investments are only made within acceptable risk parameters after due evaluation. The Group invests in Mutual Fund schemes of leading fund houses. Such investments are susceptible to market price risk that arise mainly from changes in interest rate which may impact the return and value of such investments. However, given the relatively short tenure of underlying portfolio of the Mutual Fund schemes in which the Group has invested, such price risk is not significant. Fixed deposits are held with highly rated banks and have a short tenure and are not subject to interest rate volatility.

Foreign Currency Risk

The Group is subject to the risk that changes in foreign currency values impact the Group's export revenues and import of raw materials and property, plant and equipment. The Group is exposed to foreign exchange risk arising from currency exposures, primarily with respect to US Dollars. Financial assets and liabilities denominated in foreign currency, are also subject to reinstatement risk.

The Group manages currency exposures within prescribed limits. The aim of the Group's approach to management of currency risk is to leave the Group with no material residual risk.

The carrying amounts of non-derivative foreign currency denominated financial assets and liabilities are as follows:

As at March 31, 2022	USD	EURO	GBP	Other currencies*	Total
Financial Assets					
- Trade receivables	83.92	-	-	-	83.92
- Cash and cash equivalents	0.63	0.00	-	0.00	0.63
Financial Liabilities					
- Trade Payables	(127.35)	(3.43)	(1.17)	(0.97)	(132.92)
- Other financial liabilities	(28.54)	(9.82)	(0.48)	-	(38.84)
Net financial asset / (liability)	**(71.34)**	**(13.25)**	**(1.65)**	**(0.97)**	**(87.21)**

As at March 31, 2021	USD	EURO	GBP	Other currencies*	Total
Financial Assets					
- Trade receivables	86.74	-	-	0.41	**87.15**
- Cash and cash equivalents	8.26	-	-	0.00	**8.26**
Financial Liabilities					
- Trade Payables	(118.96)	(4.30)	(2.36)	(0.35)	**(125.97)**
- Other financial liabilities	(16.39)	(9.01)	-	-	**(25.40)**
Net financial asset / (liability)	**(40.35)**	**(13.31)**	**(2.36)**	**0.06**	**(55.96)**

* Others includes currencies such as Japanese Yen, Dirhams, Rupiah, South Korean Won, Yuan etc.

Notes to the **consolidated financial statements**
All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 40: FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES (CONTD.)

Foreign currency sensitivity analysis

For every percentage point increase in the underlying exchange rate of the outstanding foreign currency denominated assets and liabilities, holding all other variables constant, the profit before tax for the year ended March 31, 2022 would change by ₹(0.93) crores [March 31, 2021: ₹(0.56 crores)]. For every percentage point decrease in the underlying exchange rate would have led to an equal but opposite effect.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 1% change in foreign currency rates.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counter-party fails to meet its contractual obligation.

Concentration of credit risk with respect to trade receivables are limited, due to Group's customer base being large and diverse. All trade receivables are reviewed and assessed for default on a monthly basis. The Group's historical experience of collecting receivables and the level of default indicate that credit risk is low and generally uniform across markets; consequently, trade receivables are considered to be a single class of financial assets. All overdue customer balances are evaluated taking into account the age of the dues, specific credit circumstances, the track record of the counterparty etc. loss allowances and impairment is recognised, where considered appropriate by responsible management.

The credit risk on cash and bank balances and fixed deposits is limited because the counterparties are banks with high credit ratings.

The following table gives details in respect of revenues generated from top customer and top 5 customers:

	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from top customer from whom the group receives 10% or more of its revenues	-	-
Revenue from top 5 customers	1,010.68	754.47

D. Fair value measurement

Fair value hierarchy

The fair value of financial instruments as referred to in Note 40.B above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identified assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements]

The following levels have been used for classification:

- **Level 1:** Quoted prices (unadjusted) for identical instruments in active market.
- **Level 2:** Directly or indirectly observable market inputs, other than Level 1 inputs
- **Level 3:** Inputs which are not based on observable market data.

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade receivables, trade payables and other current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature. Where such items are non-current in nature, the same has been classified as Level 3 and fair value determined using discounted cash flow basis. Similarly for certain unquoted equity instruments where most recent information to measure fair value is insufficient, or if there is a wide range of possible fair value measurements, cost has been considered as the best estimate of fair value.

There has been no change in the valuation methodology for Level 3 inputs during the year. The Company has classified certain unquoted equity instruments under Level 3 of the fair value hierarchy. There were no transfers between Level 1 and Level 2 during the year.

Financial Instrument	Valuation Technique	Key inputs used	Sensitivity
Investments in unquoted equity instrument at FVTOCI [1.65% equity instrument in Andhra Pradesh Gas Power Corporation Limited engaged in generation and distribution of power and domiciled in India]	Discounted Cash Flow Method	Long term growth rates, taking into account management's experience and knowledge of market conditions of the specific industry at 0% (as at March 31, 2021: 0%).	If the Long-term revenue growth rates used were 1% higher/lower while all other variables were held constant, the carrying amount of the shares would increase / (decrease) by ₹0.29 crores and ₹(0.25) crores respectively [as at March 31, 2021: ₹0.26 crores and ₹(0.24) crores respectively]
		Weighted average cost of capital (WACC) as determined 15% to 16% (as at March 31, 2021: 15% to 16%).	A 1% increase / (decrease) in WACC or discount rate used while holding all other variables constant would (decrease) / increase the carrying amount of the unquoted equity investments by ₹(0.41) crores and ₹0.48 crores respectively [as at March 31, 2021: ₹(0.37) crores and ₹0.42 crores respectively]

Notes:

(i) These investments in equity instruments are not held for trading. Instead, they are held for long term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments in equity instruments as at FVTOCI irrevocably as the Management believes that this provides a more meaningful presentation for long term strategic investments, than reflecting changes in fair value immediately in profit or loss.

(ii) The Parent Company as part of its strategic initiatives has made an investment of C36.99 crores in Log 9 Materials Scientific Private Limited ('Log 9 Materials') by acquiring 11.86% (on a fully diluted basis) of shareholding in Log 9 Materials. Log 9 Materials is an advanced battery and deep-tech start up providing state of art batteries be it in terms of EV batteries, energy storage on fuel cells. The investment was recognised at transaction cost and irrevocably designated at fair value through other comprehensive income. Owing to the nature of this initial investment (in unquoted instrument) and as permitted by Ind AS, where insufficent, more recent information is not available to measure fair value, cost has been assessed to be the best estimate of fair value as at March 31, 2022.

The following table presents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis :

Particulars	Fair value hierarchy (Level)	As at March 31, 2022	As at March 31, 2021
Financial assets			
a) Measured at amortised cost			
i) Other financial assets (non-current)	3	8.33	4.31
Sub-total		**8.33**	**4.31**
b) Measured at fair value through OCI			
i) Equity Shares - Quoted	1	0.18	0.21
ii) Equity Shares - Unquoted [Refer Note (ii) above]	3	10.77	6.33
iii) Preference Shares - Unquoted [Refer Note (ii) above]	3	31.52	-
Sub-total		**42.47**	**6.54**
c) Measured at fair value through profit or loss			
i) Investment in Mutual Funds	1	34.73	273.42
Sub-total		**34.73**	**273.42**
Total		**85.53**	**284.27**
Financial liabilities			
a) Measured at amortised cost			
i) Borrowings	3	23.39	34.34
ii) Lease Liabilities	3	102.50	57.98
Total		**125.89**	**92.32**

NOTE 41: DIVIDEND

Dividend on equity shares paid during the year	FY 2021-22	FY 2020-21
Final dividend for FY 2020-21 (₹6 per equity share of ₹1 each) [for FY 2019-20 ₹Nil]	102.49	-
Interim dividend for the FY 2021-2022 (₹4 per equity share of ₹1 each) [for FY 2020-21 ₹5 per equity share of ₹1 each]	68.33	85.41
	170.82	**85.41**

Interim dividend of ₹4 per equity share of face value of ₹1 each approved by the Board of Directors of the Parent Company at its meeting held on November 12, 2021 was paid during the current year. The Board of Directors at its meeting held on May 20, 2022 has recommended a dividend of ₹0.50 per equity share of face value of ₹1 each which is subject to approval of the shareholders at the ensuing Annual General Meeting of the Parent Company and hence is not recognized as a liability. The total dividend (including interim dividend) for FY 2021-22 amounts to₹4.5 per equity share (Previous year ₹11 per equity share).

NOTE 42: The wholly-owned subsidiary (which along with Amara Raja Batteries Limited, the parent, constitute the Group) considered in the preparation of these Consolidated Financial Statements is :

Name	Country of Incorporation	Percentage of ownership as at March 31, 2022
Amara Raja Batteries Middle East (FZE)	Sharjah, UAE	100%

These Consolidated Financial Statements are based, in so far as they relate to amounts included in respect of the wholly-owned subsidiary on the audited financial statements prepared for consolidation in accordance with the requirements of Indian Accounting Standard - 110 (Ind AS 110) on "Consolidated Financial Statements".

NOTE 43: Additional information as required by Paragraph 2 of the General Instructions for preparation of consolidated financial statements to Schedule III to the Companies Act, 2013:

Name of the entity	As at March 31, 2022		As at March 31, 2022		As at March 31, 2022		As at March 31, 2022	
	Net Assets		Share in Profit or (Loss)		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated Profit or (loss)	Amount	As % of consolidated other Comprehensive Income/(loss)	Amount	As % of consolidated Total Comprehensive Income	Amount
Amara Raja Batteries Middle East (FZE)	0.04%	1.69	0.24%	1.21	5.41%	0.04	0.24%	1.25

Name of the entity	As at March 31, 2021		As at March 31, 2021		As at March 31, 2021		As at March 31, 2021	
	Net Assets		Share in Profit or (Loss)		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated Profit or (Loss)	Amount	As % of consolidated other Comprehensive Income/(loss)	Amount	As % of consolidated Total Comprehensive Income	Amount
Amara Raja Batteries Middle East (FZE)	0.01%	0.47	0.01%	0.10	-0.15%	0.01	0.02%	0.11

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

NOTE 44: CORPORATE SOCIAL RESPONSIBILITY

	Particulars	FY 2021-22		FY 2020-21	
(i)	Gross amount required to be spent by the Group during the year				15.20
(ii)	Amount spent during the year on :				
	(a) Construction/acquisition of any asset	6.88		8.08	
	(b) On purposes other than (i) above	9.55		7.12	
	Total spent		16.43		15.20
(iii)	Related party transactions in relation to Corporate Social Responsibility		16.43		15.20

(iv) Details of excess amount spent

	Opening Balance	Amount required to be spent during the year	Amount spent during the year	Closing Balance
Details of excess amount spent	-	16.25	16.43	0.18

(v) Nature of CSR activities undertaken by the Group
- Affordable quality education in rural areas
- Provide healthcare to rural india
- Soil conservation and vegetative regeneration
- Development of surrounding villages that include construction of roads, rain water storage tanks and supply channel amongst others.

NOTE 45:

The Parent Company on April 30, 2021 received closure orders from the Andhra Pradesh Pollution Control Board ('APPCB') for the Parent Company's plants situated at Karakambadi, Tirupati and Nunegundlapalli Village, Chittoor District. Consequently, the Parent Company went in appeal against the said orders to the Hon'ble High Court of Andhra Pradesh at Amravati, which granted interim suspension of the closure orders. The plants of the Parent Company were closed for a period of 5 days during the quarter ended June 30, 2021, from the date of closure orders till the date of the said interim suspension. The Parent Company did not incur any material loss during the period of closure. In the interim, APPCB has issued further two show cause notices in February, 2022 against which the Parent Company filed a special leave petition with the Hon'ble Supreme Court which vide its order dated May 19, 2022 has stayed further proceedings arising out of the said show cause notices. The Management of the Parent Company has been working with the APPCB to satisfactorily resolve the matter.

NOTE 46:

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits has been enacted. However, the date on which the Code will come into effect has not yet been notified. The Management of the Parent Company will complete its evaluation and will give appropriate impact in its financial statements in the period in which the Code becomes effective.

NOTE 47:

The financial statements are approved for issue by the Audit Committee and Board of Directors at their meetings held on May 20, 2022.

For and on behalf of the Board of Directors

Jayadev Galla
Chairman, Managing Director & CEO

Harshavardhana Gourineni
Executive Director

Vikramadithya Gourineni
Executive Director

Y Delli Babu
Chief Financial Officer

Vikas Sabharwal
Company Secretary

Place: Hyderabad
Date: May 20, 2022

NOTICE OF THE ANNUAL GENERAL MEETING