

FOURTEENTH
ANNUAL REPORT
1998 - 99

POSITIVE



CHARGED



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Board of Directors

Mr. U.V. Warlu

Dr. Upendranath Nimmagadda
Alternate Director, Mr. V.R. Rao

Mr. P. Lakshman Rao

Mr. Arthur F. Nennig Jr.
Alternate Director, Ms. Manjula Chawla

Mr. Douglas C. Brown
Alternate Director, Mr. Rohit Kochhar

Mr. James T. Lucke
Additional Director

Mrs. Amara Kumari Galla

Mr. Jayadev Galla
Executive Director

Mr. Ramachandra N. Galla
Chairman & Managing Director

Auditors

M/s. E. Phalguna Kumar & Co.
Chartered Accountants,
Tirupati.

M/s. Chevuturi Associates
Chartered Accountants, Vijayawada.

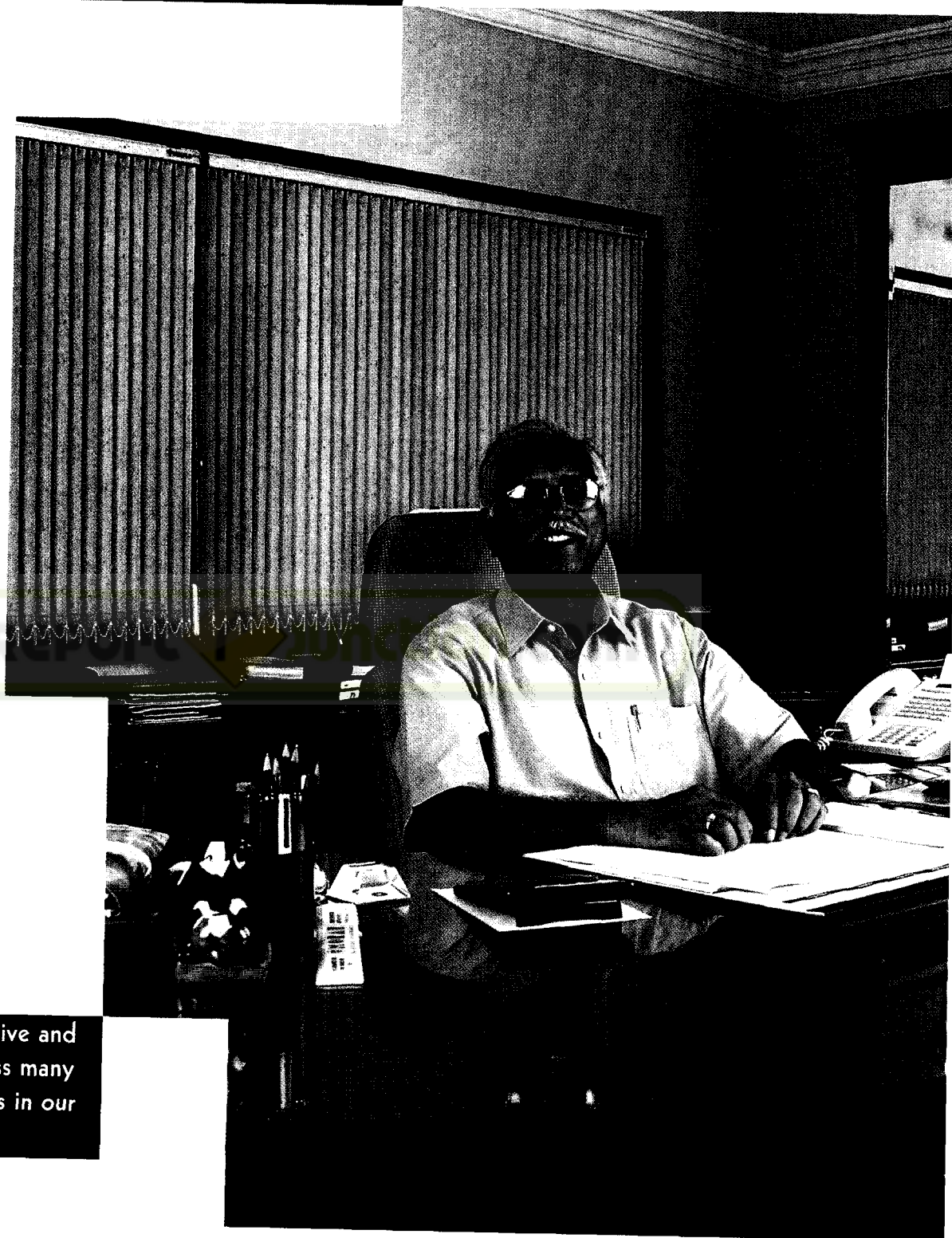
Bankers

State Bank of India
Settipalle, Tirupati.

Andhra Bank
Main Branch, Tirupati

State Bank of Hyderabad
Main Branch, Tirupati

Chairman's Message



... we are positive and
charged to cross many
more milestones in our
journey.

Amara Raja Batteries Limited

Regd. office : Renigunta - Cuddapah Road, Karakambadi-517 520,
Tirupati, Andhra Pradesh, INDIA.

NOTICE

Notice is hereby given that the Fourteenth Annual General Meeting of the Members of AMARA RAJA BATTERIES LIMITED will be held on Wednesday, 21st July, 1999 at 3.00 p.m. at the Registered Office of the Company at Karakambadi, Tirupati - 517520 to transact the following business.

Ordinary Business

1. To receive, consider, approve and adopt the Audited Balance Sheet as at 31st March, 1999 and Profit & Loss Account for the year ended on that date and the reports of the Directors and the Auditors.
2. To declare Dividend.
3. To appoint a Director in place of Dr. Upendranath Nimmagadda, who retires by rotation, and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Sri. P. Lakshmana Rao, who retires by rotation, and being eligible, offers himself for reappointment.
5. Appointment of Auditors.

To consider and if thought fit, to pass with or without modifications the following resolution as an Ordinary Resolution :

"Resolved that the Auditors of the Company M/s. E. Phalguna Kumar & Co., Chartered Accountants, Tirupati and M/s. Chevuturi Associates, Chartered Accountants, Vijayawada, who retires at this meeting, being eligible and willing to act as joint auditors be and are hereby appointed as auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Board, in addition to out of pocket expenses as may be incurred by such auditors in connection with the audit of the Company."

Special Business

6. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolutions :

"Resolved that Mr. James T. Lucke, who was appointed as the Additional Director of the Company by the Board of Directors on 25.05.1999 and who ceases to hold office at this meeting Under Section-260 of the Companies Act, 1956, be and is hereby reappointed as the Director of the Company, retiring by rotation."

By Order of the Board
for AMARA RAJA BATTERIES LIMITED

Sd/-

RAMACHANDRA N. GALLA
Chairman & Managing Director

Place : Tirupati
Date : 25.05.1999

Notes

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.
2. The Register of the Members of the Company will remain closed from 19th July, 1999 to 21st July, 1999 (Both days inclusive).
3. Dividend, if approved and declared at the Annual General Meeting will be paid to those members whose names appear in the Register of Members of the Company as on 21st July, 1999.
4. Members are requested to kindly notify any change in address immediately to the Company.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 :

Item No. 6

As per the terms of Technical & License Agreement and Share Subscription and investment Agreement with Johnson Controls Inc., there needs to be (3) three Directors in the Board as nominees of JCI, USA. Consequent upon resignation of Mr. Paul W. Van Hoof as Director, Johnson Controls Inc., nominated Mr. James T. Lucke as Director and he was inducted into the Board of Directors on 25.05.1999 as Additional Director. He will hold office till the Annual General Meeting. Notice under Section 257 of the Companies Act, 1956 proposing his reappointment as Director was received by the Company together with the deposit of Rs.500/-. The Directors recommended the resolution for your approval. Other than the concerned Director, none of the other Directors are concerned or interested in the resolution.

By Order of the Board
for AMARA RAJA BATTERIES LIMITED

Sd/-

RAMACHANDRA N. GALLA
Chairman & Managing Director

Place : Tirupati
Date : 25.05.1999

Dear Shareholder,

It was another year of brilliant performance. A year that witnessed the strengthening of Amara Raja's foundation and the consolidation of forces required to break new ground. This was the period when we put into action several new initiatives.

We have over the years exercised our thoughts and pieced together a collective vision to guide us in all our activities. The essence of which widens the scope of the Amara Raja philosophy held from the very inception.

To achieve our core purpose, we have chosen to access the best of global technology. Place utmost emphasis on total customer satisfaction. Protect and enrich the environment in which we are placed. Provide a congenial working atmosphere to our employees. Exert a positive influence on the community around us.

The deepening bonds with Johnson Controls, our strategic alliance partner, can be seen in the progress made in manufacturing automotive batteries.

We are the most preferred auto battery suppliers to Ford, General Motors and Daimler Benz in India. Similar Original Equipment Manufacturer (OEM) relationships with other auto majors are on the anvil.

You will be the glad to note that the automotive battery manufacturing project is now underway. The project is on schedule. We are aiming at creating a manufacturing capacity of one million batteries by September, 2000 with an initial outlay of Rs.25 crores. We are confident that, in both industrial and automotive batteries, we will lead the market with quality products. Access to the latest technology made available by our partners - Johnson Controls, will further strengthen our position.

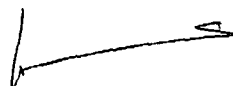
Several inputs into the organisation will see us run as a well oiled machine. New ideas and fresh impetus in key areas are being given emphasis. We are giving utmost importance to rationalising the administrative structure. The objective is to achieve higher efficiency through better systems and procedures. In this we are taking the help of a very elaborate IT infrastructure. By doing so we will be laying the foundation for making Amara Raja, an institution that will endure the test of time.

Apart from enhancing shareholders' value and the customers' trust we are committed to make every employee in Amara Raja feel proud of the company. To this end several employee oriented measures have been carried out to galvanise the entire workforce to contribute their best and ensure the success of our vision.

The coming days will present us with several challenges. By preparing ourselves to face these challenges we will be able to overcome them successfully. More importantly we are positive and charged to cross many more milestones in our journey towards realising our vision.

We are thankful to you for placing your trust in us.

Warm regards

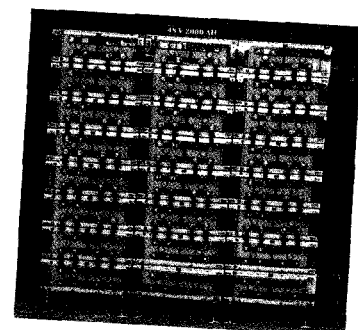


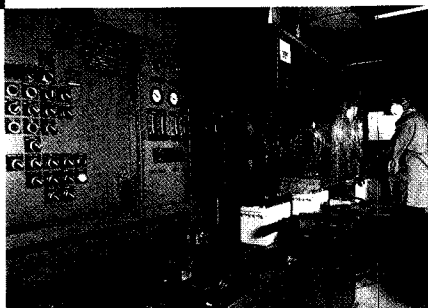
Ramachandra N Galla
Chairman and Managing Director

The core purpose of Amara Raja



"To transform our spheres of influence and to enrich the quality of life by building institutions that provide better access to better opportunities, goods and services. To more people. All the time."





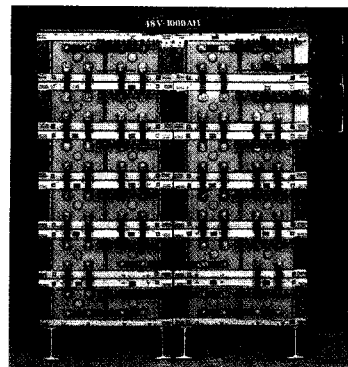
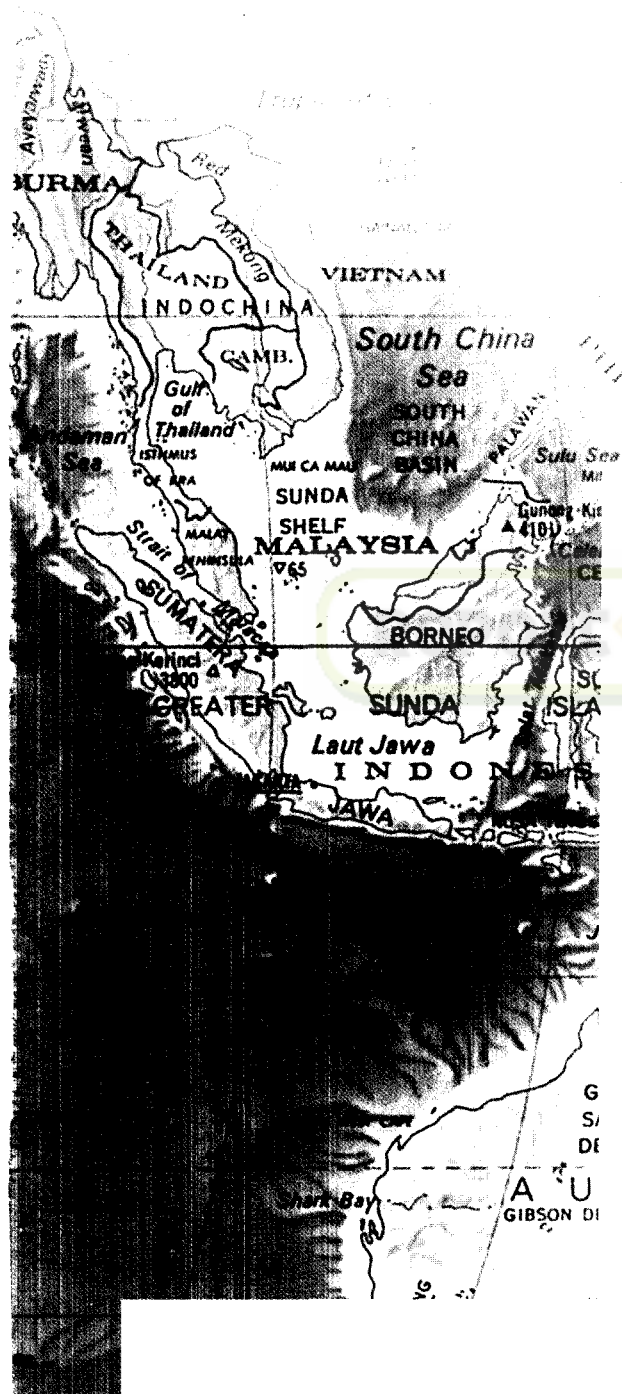
Amara Raja's purpose goes beyond the immediate business goals of achieving profitable growth and enhancing shareholders' value. It is much more than that. It is a compelling vision of transforming lives and communities. Of making a difference to the industry. Of contributing to the economy. And of enriching the environment.

Amara Raja is committed to making a significant contribution to society, of which it is a part. By transforming every interface it shares with the community of stakeholders positively. By bringing about change that is meaningful and rewarding. And exploiting every opportunity to expand its spheres of influence.

Clear strategic focus



Amara Raja is a step closer to being the centre of power of India's battery industry.



Pioneering pathbreaking technology gave Amara Raja the edge in the manufacture of maintenance free valve-regulated lead acid (VRLA) batteries. Within a few years of beginning operations, Amara Raja has emerged as the largest manufacturer of standby VRLA batteries in the Indian Ocean rim.

The established superiority of its products stems from its commitment to offer consumers the benefit of the latest advances in technology. In choosing to closely interact with the end users and understand their needs, Amara Raja has anticipated emerging needs of customers and fulfilled them.

Strong partners make strong companies. This is reflected in Amara Raja's alliances with acknowledged world leaders.

Amara Raja's partnership with Johnson Controls Inc., will now bring automotive batteries of international standard to India. A move that will benefit the consumer.

These are significant steps, integral to Amara Raja's strategic blueprint for the future.

