



AMARA RAJA
Gotta be a better way

Dream. Deliver.

AMARA RAJA BATTERIES LIMITED | ANNUAL REPORT 2012-13



Document milestones

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"All men dream, but not equally. Those who dream by night in the dusty recesses of their minds, wake in the day to find that it was vanity: but the dreamers of the day are dangerous men, for they may act on their dreams with open eyes, to make them possible."

- T. E. Lawrence

When we entered the storage battery segment in India, our dream was to transform our business space through path-breaking solutions.

In our two-decade journey, we have done so in a number of ways and emerged as India's fastest growing and second largest battery company.

Our dreams have got bigger. We expect to emerge as the leading player in India's storage battery space following a ₹7 billion plus investment, the largest in our history.

The best is yet to come.

₹7.45 billion investment

For capacity augmentation through greenfield and brownfield projects

	Industrial batteries		Automotive batteries	
Project	Medium Valve Regulated Lead Acid (MVRLA) battery	Large Valve Regulated Lead Acid (LVRLA) battery	Four-wheeler battery	Two-wheeler battery
	Expansion from 1.80 to 3.60 million units per annum	Expansion from 760 million Ah to 1.00 billion Ah per annum	<ul style="list-style-type: none"> Brownfield expansion from 5.60 to 6.00 million units per annum Greenfield expansion from 6.00 to 8.25 million units per annum 	Expansion from 4.80 to 8.40 million units per annum
Product range	12V-26Ah to 200Ah	2V-100Ah to 5000Ah	12V -28Ah to 180 Ah	12V-2.5Ah to 18Ah
Brands	Quanta® and Power Sleek™	Power Stack® and Amaron Volt™	Amaron® and PowerZone™	Amaron® and PowerZone™
Applications	UPS, wireless telecom network, solar and rolling stock (railways)	Telecom network, rolling stock, solar and power utilities	Starting, lighting and ignition for all vehicles	Starting, lighting and ignition for all vehicles
Capital outlay	₹1,900 million	₹500 million	₹4,050 million	₹1,000 million
Time line	Commence supplies in Q3 FY14	Commence supplies in Q4 FY14	Commence supplies from Brownfield unit in Q2 FY14 and from Greenfield unit in Q1/Q2 FY15	Commence supplies in a phased manner from Q3 FY14
Fungibility	Can be used to make automotive four-wheeler batteries	Can be used to produce 2V motive power batteries	Can be used to make MVRLA and flat plate inverter batteries	Can be seamlessly used to produce Quanta® range of SVRLA batteries for application in small UPS, emergency lamps among others
Estimated additional revenues at full capacity utilisation	₹5,000 million	₹2,500 million	₹7,500 million	₹1,750 million

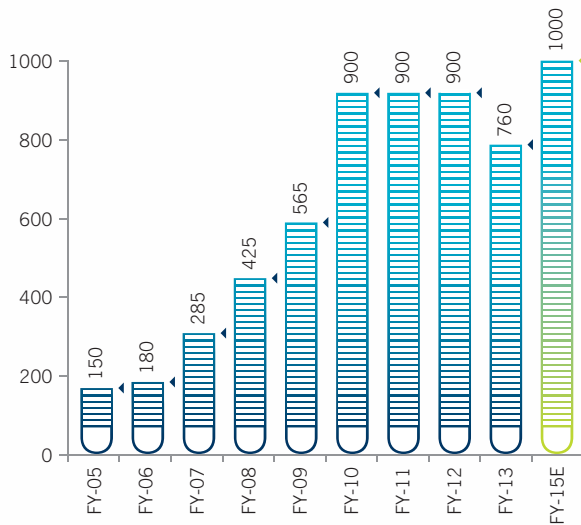
₹16.75 billion

Estimated additional revenues at full capacity utilisation

Our capacity build-up

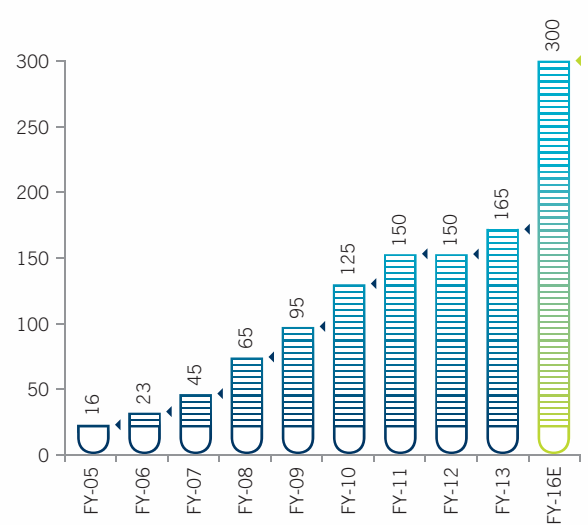
LVRLA battery capacity

EQU capacity MNAh / Annum



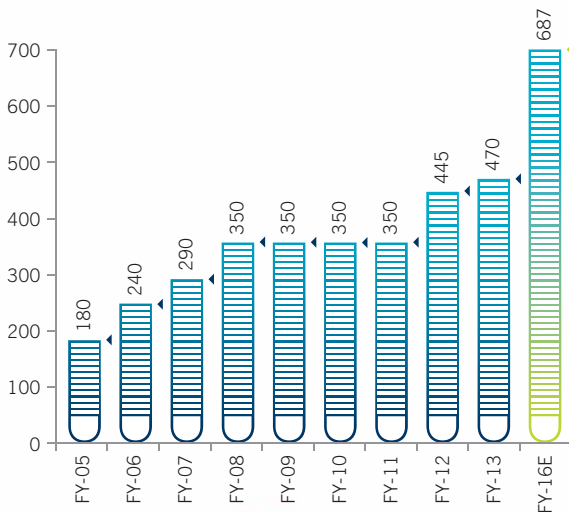
MVRLA battery capacity

EQU capacity in K. Nos / Month



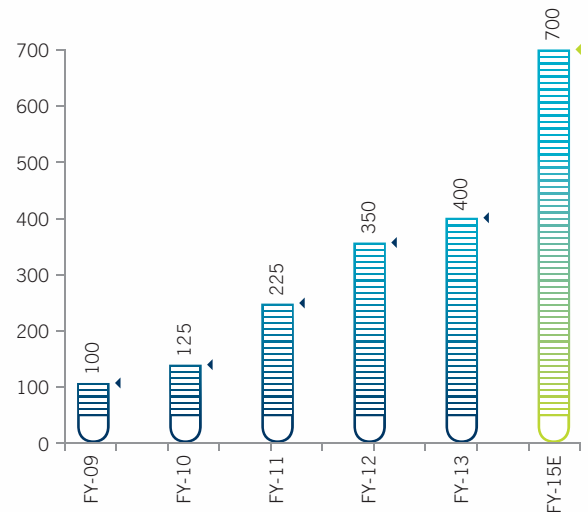
Four-wheeler battery capacity

EQU capacity in K. Nos / Month



Two-wheeler battery capacity

EQU capacity in K. Nos / Month



Highlights, 2012-13

Performance

- 25% revenue growth
- 30% EBIDTA growth
- 33% PAT and EPS growth

Returns

- A 76 bps expansion in PBT margin
- A 117 bps increase in return on average network
- A 13.98% improvement in return on average net operating assets

Operations

- 20% increase in automotive four-wheeler battery volume
- 37% increase in automotive two-wheeler battery volume
- 18% improvement in volume from telecom
- Capacity utilisation in excess of 90% in automotive four-wheeler and industrial battery businesses

Market share

- 46% market share in telecom sector
- 32% market share in UPS sector
- 28% market share in automotive four-wheeler OEM market
- 22% market share in automotive four-wheeler aftermarket
- 15% market share in automotive two-wheeler aftermarket

Distribution

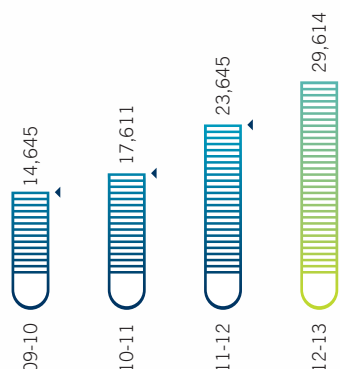
- Increased franchised distributors network to 287
- Enlarged Amaron® retail network to 21,000 plus
- Expanded PowerZone™ outlets to 1,100 plus in rural and semi-urban areas
- Received the Board's consent for an enhanced capital expenditure of ₹6.07 billion

Shareholder value

- Market capitalisation touched ₹50 billion
- Proposed dividend payout increased to ₹430 million for 2012-13

Business growth

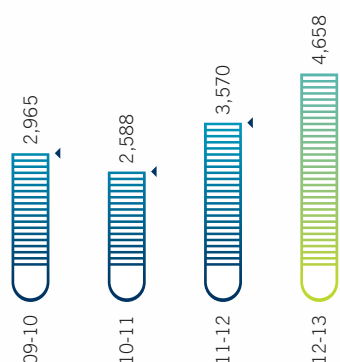
Net revenue (₹ million)



Revenue growth

25.24% Over 2011-12 | 22.28% CAGR over 5 years

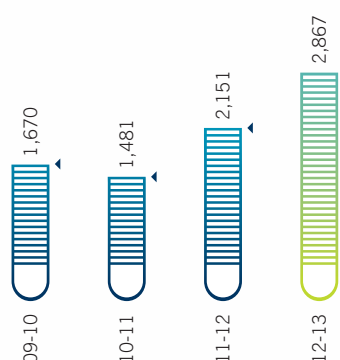
EBIDTA (₹ million)



EBIDTA growth

30.48% Over 2011-12 | 21.01% CAGR over 5 years

Net profit (₹ million)

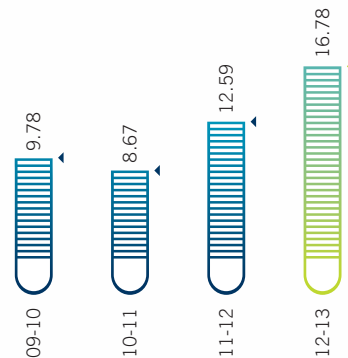


Net profit growth

33.29% Over 2011-12 | 24.88% CAGR over 5 years

Shareholder value accretion

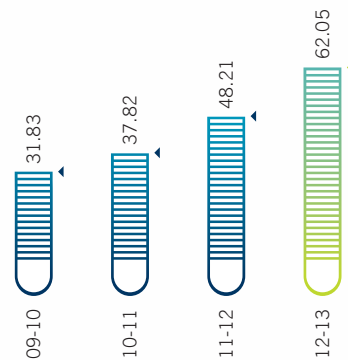
Earnings per share (₹)*



Earnings per share growth

33.28% Over 2011-12 | 15.15% CAGR over 5 years

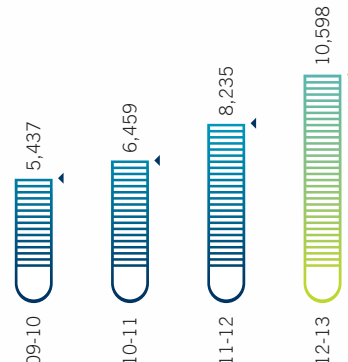
Book value per share (₹)*



Book value per share growth

28.70% Over 2011-12 | 16.23% CAGR over 5 years

Networth (₹ million)

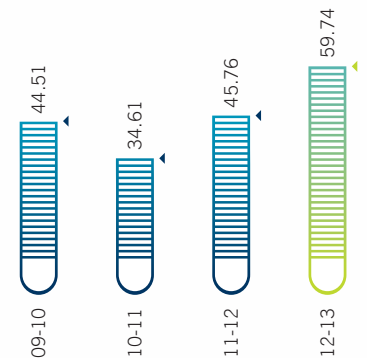


Networth growth

28.70% Over 2011-12 | 26.05% CAGR over 5 years

Business returns

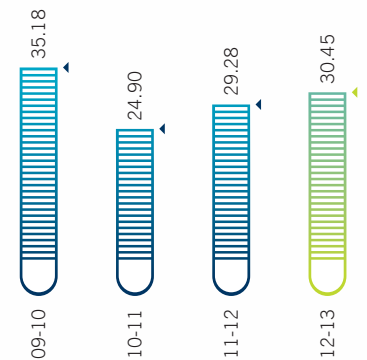
Return on assets (%)



ROA growth

1,398 bps Over 2011-12 | 2,912 bps Over 2008-09

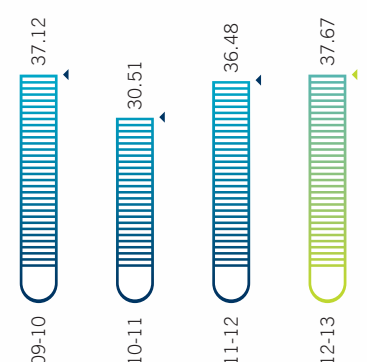
RONW (%)



RONW growth

117 bps Over 2011-12 | 865 bps Over 2008-09

ROCE (%)



ROCE growth

119 bps Over 2011-12 | 1280 bps Over 2008-09

* For face value of ₹1 each



DELIVER
DREAM

Vision

Through the Amara Raja way and through enduring progressive partnerships we will be a Global Leader in Batteries and Battery Technologies and a dominant player in Indian Ocean Rim.



Core Purpose

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



VALUE-01



Innovation for us is proactively rebelling for better ways of doing things leading to newer possibilities.

VALUE-02



Excellence to us is continually enhancing our performance to consistently produce outstanding results with lasting impact.

VALUE-03



Entrepreneurship to us is leading with courage and conviction to convert gaps into opportunities, create wealth and contribute to growth.

VALUE-04



Experiences to us is what we create for our stakeholders which make them feel part of something special, leading to endearing relationships.

VALUE-05



Responsibility to us is the total ownership of our thoughts and actions in every situation to achieve maximum common good in the best interest of Environment, Society, Customer, Supplier, Employee and Shareholders.

Board of Directors



Dr. Ramachandra N Galla
Non-Executive Chairman



Jayadev Galla
Vice Chairman and Managing Director



Ravi Bhamidipati
Executive Director



Shu Qing Yang
Non-Executive Director