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hese are momentous times. Rather than be influenced by the slowdown of the past, the time has come to be excited by the prospects of the future.

The probability of real GDP growth at 8-9% per annum over the medium-term can potentially double India's economy in just five years from now.

Stored energy will represent one of the vital building blocks of this robust national rebound. At Amara Raja Batteries Limited, we are adequately prepared to play a critical role in this significant national resurgence through proactive capacity building.

It took us decades to reach where we are now in terms of capacity; we are significantly enhancing our installed capacity in just 18-24 months by investing ₹7.50 billion, the largest outlay over the last decade.

With the objective to not only capitalise on the country's growth but also accelerate it.



#### more incomes. more vehicles. more batteries.

3,277

India's GDP per capita (PPP) in US\$, 2013-14

5,359

Estimated India's GDP per capita (PPP) in US\$, 2015

1.81

India's four-wheeler sales (million units), 2013-14

8

India's projected four-wheeler sales (million units), 2020

**15** 

**Number** of passenger cars per 1,000 people in India, 2012

37

**Number** of passenger cars per 1,000 people in China, 2012

#### more middle-class. more youth. more batteries.

1.2

India's population (billion), 2011

1.3+

India's projected population (billion), 2020

430

India's population (million) in the age-group of 15-34, 2011

464

India's population (million) in the age-group of 15-34, 2021 **26.7** 

India's median age, 2013

29

India's projected median age, 2020

991

India's consumer spending (US\$,billion), 2010

3.6

India's projected consumer spending (US\$, trillion), 2020

#### more people. more speech. more batteries.

**795** 

India's wireless subscriber base (million), 2013

1,145

India's estimated mobile subscriber base (million), 2020

90

India's smartphone penetration (million), 2013

**520** 

India's estimated smartphone penetration (million), 2020 4.06

**Number** of telecom towers (lakh) in India, 2013

5.71

Number of estimated telecom towers (lakh) in India, 2016 ~40

The % of India's telecom towers that encounter load shedding of more than 12 hours per day

50

The % of rural towers that are projected to be run on hybrid power by 2015

#### more IT literacy. more computer users. more batteries.

210

**Number** of internet users in India (millions), September, 2013

330

**Estimated** number of internet users in India (millions), 2016

1

**India's** e-commerce industry (US\$, billion), 2014 (estimated)

**76** 

India's e-commerce industry (US\$, billion), 2020 (estimated)

4.1

**The** % contribution of internet-to-GDP in India, 2010

**5.6** 

**The** estimated % contribution of internet-to-GDP in India, 2016

<1

**India's** IT spend as a % of GDP, 2013

2.5

**Global** average IT spend as a % of GDP, 2013



#### more prosperity. more banking. more batteries.

74

**Number** of ATMs in India per million people

200

**Number** of ATMs in China per million people

**65** 

The estimated % of new ATMs in Tier II and III cities, 2016 0.9

**Number** of ATMs (lakh) in India, June, 2012

2

**Number** of ATMs (lakh) estimated in India, 2016

30

The % of total term-lifeinsurance-sum-assured-to-GDP ratio of each, 2013 10

The % of credit-to-GDP ratio of every district, 2013

**50** 

The % of credit-to-GDP ratio (projected) of every district, 2020

80

The estimated % of total term-life-insurance-sum-assured-to-GDP ratio of each, 2020

40

The % of Indian citizens with functional bank accounts, 2013

100

The % of Indian citizens (recommended by RBI) above 18 years with fullservice bank accounts, 2016

The data in Page 2-4 is taken from various sources



Karakambadi, Tirupati Men at work at the pasting

#### 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.



# trepreneurship

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

# 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.

novation

Innovation for us is proactively rebelling for better ways of doing things leading to newer possibilities. Excellence to us is continually enhancing our performance to consistently produce outstanding results with lasting impact.

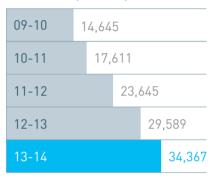
Entrepreneurship to us is leading with courage and conviction to convert gaps into opportunities, create wealth and contribute to growth. periences



## our past. a good foundation for the future.

#### **Business growth**

#### Net revenue (₹ million)

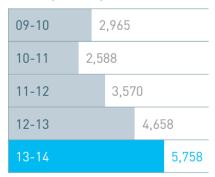


Revenue growth

16.15% Over 2012-13 21.22%

CAGR over 5 years

#### EBIDTA (₹ million)

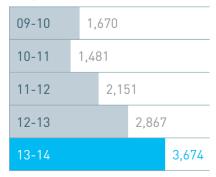


EBIDTA growth

23.61% Over 2012-13

**22.87**% CAGR over 5 years

#### Net profit (₹ million)



Net profit

28.16% Over 2012-13

**35.48**% CAGR over 5 years

#### Shareholder value accretion

#### Earnings per share (₹)\*

Editings per share (t)				
09-10	<b>09-10</b> 9.78			
10-11	8.67			
11-12	12.59			
12-13	12-13		16.78	
13-14				21.51

\* For face value of ₹1 each

Earnings per share growth

28.16% Over 2012-13

**35.48**%

CAGR over 5 years

#### Book value per share (₹)\*

09-10	31.83			
10-11	37.82			
11-12	48	3.21	21	
12-13		62.05	<u>-</u>	
13-14			79.78	

\* For face value of ₹1 each

Book value per share growth

28.58<sup>9</sup> Over 2012-13

27\_43%

CAGR over 5 years

#### Market capitalisation (₹ million)

09-10	1	4,024		
10-11		16,206		
11-12		25,007	7	
12-13			46,743	
13-14				67,368

Market capitalisation growth

**44.13**% Over 2012-13

**84.75**% CAGR over 5 years

Amara Raja has not tapped the equity market even once during its high-growth phase that commenced in FY01. Market capitalisation grew at 84.75% CAGR over five years enhancing shareholders wealth.

#### **Business returns**

#### Return on assets (%)

09-10		44.51		
10-11	34.6	61		ROA growth
11-12		45.7	6	481 <sup>bps</sup>
12-13			59.75	Over 2012-13
13-14			64.56	<b>2,005</b> bps Over 2009-10

#### ROCE (%)

09-10		37.12
10-11	30.	52
11-12		36.48
12-13		37.67
13-14		38.45

ROCE growth **78**bps Over 2012-13 133<sup>bps</sup> Over 2009-10



#### National Award for Excellence in Cost Management

Jayadev Galla, Vice Chairman Jayadev Galla, Vice Chairman and Managing Director receiving the National Award for Excellence in Cost Management for the year 2012 of Institute of Cost Accountants of India from Mr. Sachin Pilot, Former Hon'ble Union Minister of State for Corporate Affairs, Government of India



THE MANAGEMENT STATEMENT

# our journey continues.



#### dear friends,

The Company's product sales are climbing; brands have been a resounding success; factories are buzzing with activity; people are happy and you, the shareholders, are satisfied.

Logic says we should be content. Rationality guides us to make incremental investments. Prudence advises cautious aggression.

At this crucial juncture, we can either be satisfied with the bountiful returns; or undertake the challenge of doing the extraordinary that transforms the perception of the brand and the corporate in the minds of the stakeholders and the sector as a

whole. Here at Amara Raja, we have opted for the latter option. Case in point: we initiated our largest capacity augmentation exercise at a time when most corporates chose to put their capex investments on the backburner.

Because Amara Raja has relentlessly attempted to outperform the prevailing growth averages. And has inevitably made it happen through a combination of superior product quality, distinctive positioning, attractive price-value proposition, enduring OEM customer relationships, deeper distribution network, prudent fiscal management and a proactive ability to invest ahead of the curve.

The efficacy of this approach is reflected in the superior numbers that Amara Raja posted in 2013-14 – 16.15% increase in revenues, 28.16% in profit after tax, growth in return on capital employed by 78 bps - even as the Indian economy reported its second slowest growth of the last 10 years in 2013-14.

#### Recharged

Recharged – this single word aptly sums up the energy within Amara Raja's team, which provides assurance that our largest capacity augmentation investment will turn out to be an unprecedented success. For it is not