



EXPANDING HORIZONS



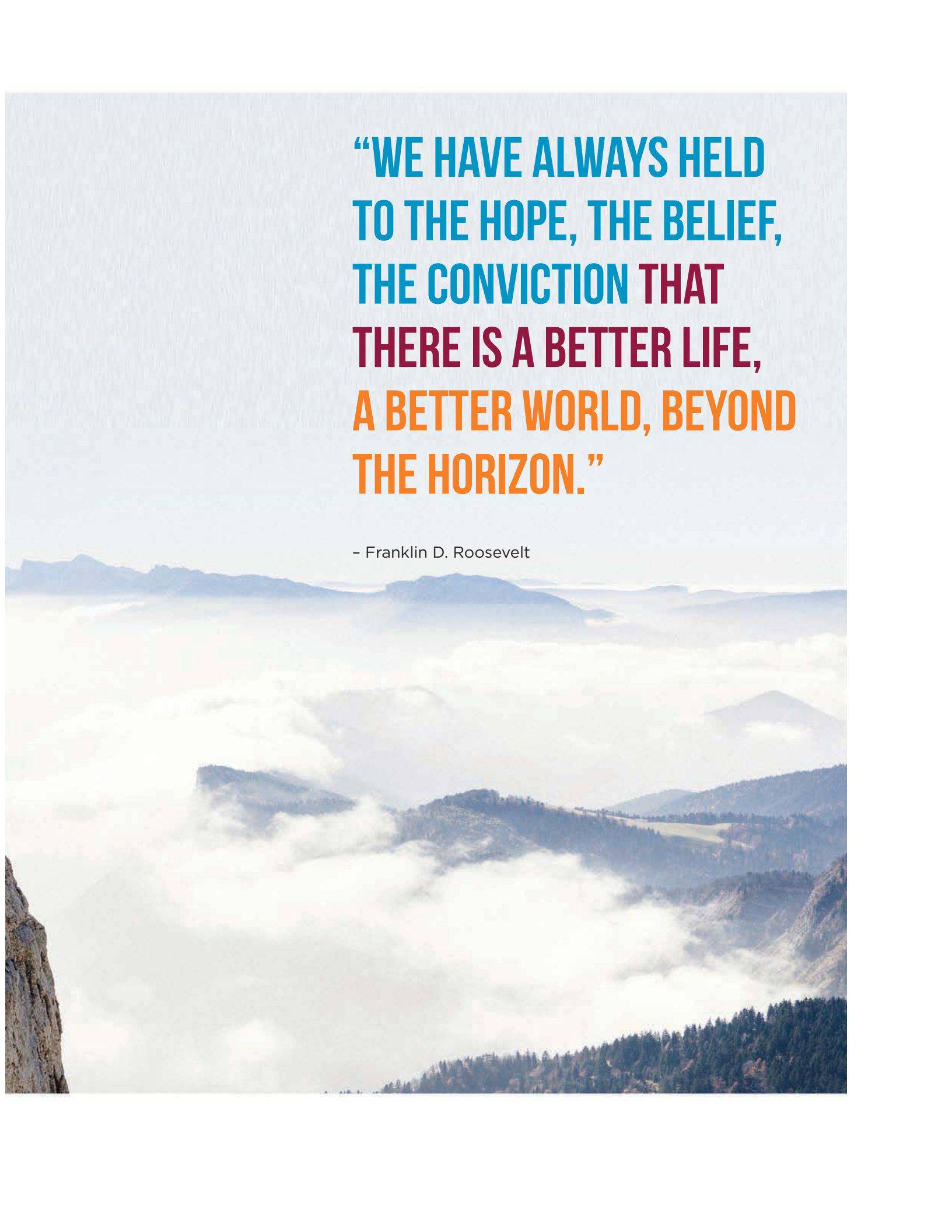
AMARA RAJA
Gotta be a better way

AMARA RAJA BATTERIES LIMITED | ANNUAL REPORT 2016-17

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A scenic view of a mountain valley with a sea of clouds. The foreground shows a rocky cliff edge on the left and a forested mountain slope on the right. The middle ground is filled with a thick layer of white clouds that fill the valley. In the background, more mountain ranges are visible under a clear blue sky.

**“WE HAVE ALWAYS HELD
TO THE HOPE, THE BELIEF,
THE CONVICTION THAT
THERE IS A BETTER LIFE,
A BETTER WORLD, BEYOND
THE HORIZON.”**

- Franklin D. Roosevelt

THAT IS THE WORLD THAT AMARA RAJA IS CONTINUOUSLY AIMING FOR...

... a world where a stable energy source is not a distant dream but an achievable goal.

... a world where the desire of the human spirit to surge forward continues to be ignited by niche energy solutions.

... a world where expanding horizons seamlessly collaborate with emerging technologies for nurturing a portfolio of sustainable solutions.



**AT AMARA RAJA, WE ARE
CONSTANTLY STRIVING TO
REACH THAT WORLD BY
EXPANDING OUR HORIZONS.**

...by going beyond boundaries
envisioned not so long ago

...by embracing newer
technologies that facilitate in
foraying into white space

...by extending our footprint into
newer markets – large and niche

On the back of our ability to learn the new, tread the road less travelled, celebrate failures and successes in equal measure, fearlessly seek newer pastures, we at Amara Raja, are relentlessly expanding our horizons to reach out to that new and better world.

CORE PURPOSE

TO TRANSFORM
OUR INCREASING SPHERES OF INFLUENCE
AND TO IMPROVE THE QUALITY OF LIFE
BY BUILDING INSTITUTIONS
THAT PROVIDE BETTER ACCESS
TO BETTER OPPORTUNITIES
TO MORE PEOPLE...
ALL THE TIME



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 THE INDIAN OCEAN RIM

CORE VALUES

Innovation

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

Excellence

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

Entrepreneurship

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

Experiences

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

Responsibility

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.



STATEMENT FROM THE MANAGEMENT

**“WE BELIEVE THAT TO
REMAIN SUCCESSFUL IN
A SUSTAINABLE WAY, IT IS
IMPERATIVE TO BUILD
AROUND WHAT WE HAVE
CREATED ON THE ONE HAND
AND KEEP RESPONDING
WITH SPEED AND SENSIBILITY
TO EVOLVING LANDSCAPES
ON THE OTHER.”**

Dr. Ramachandra N Galla
Chairman

Dear friends,

The world is passing through uncertain times. Across the globe, socio-political turmoil and economic volatility have become the order of the day. The recent most significant challenge impacting global progress is a turn toward protectionism, leading to trade warfare.

Mainly in advanced economies, several factors have lowered growth since the 2010-11 recovery from the global financial crisis. Slower growth of median incomes and structural labour market disruptions has generated political support for zero-sum policy approaches that could undermine international

trading relationships, along with multilateral co-operation.

In India, economic resurgence continued to gain momentum owing to progressive Government policies and strong domestic demand, only to be marginally reined in by certain short-term disruptions towards the close of the fiscal under review.

It gives us immense pride to state that your Company reported heartening performance manifest in growing business numbers for the period under review despite the prevailing headwinds. This growth is a true

reflection of the dedication and commitment of each member of the Amara Raja family.

Expanding horizons

Fiscal 2016-17 was important for an important reason – during this period we expanded our horizons across every aspect of our business.

It was a year when our vision to challenge the leadership by expanding our horizons into new technologies, applications and markets scaled new heights of achievement, which promise



to ignite our growth momentum over the coming years.

Expanding our technology

horizon: In the lead-acid space, having successfully delivered trend-setting products with AGM (Absorbed Glass Mat) batteries, we graduated to the gel platform. We developed flat plate gel and tubular gel battery variants which are expected to be commercially launched in the current year. This progression will enable us to establish a strong footprint in value-added white spaces.

Expanding our product offering:

In the lead-acid space, we successfully absorbed the EFB (enhanced flooded battery) technology which helped us in developing batteries for micro-hybrid vehicles which is experiencing accelerated demand. Our development should reach the dealer shelves in the first half of the current year. Further, we have developed batteries customised for niche applications in the UPS segment which, we feel, will support the government's 'Digital India' drive.

Expanding our process

bandwidth: Even as we absorbed new technologies, we continued to live by the Amara Raja DNA – 'Gotta be a better way'. For example, even as we imbibed the tubular gel technology, we improved upon the paste-filling and formation processes which, we are confident, will facilitate in developing and delivering trend-defining solutions.

The path forward

The path forward is even more exciting with India's economic resurgence pivoted on path-breaking programs

STATEMENT FROM THE MANAGEMENT



Jayadev Galla

Vice Chairman and Managing Director

(Make in India, Digital India, Creation of Smart Cities, among others) and its willingness to embrace the new, promises to open interesting opportunity vistas for India Inc. compelling corporates to expand beyond the visible. The same holds true for the storage battery sector where new opportunities herald high-growth opportunities to those who are willing to walk the road less travelled.

Renewable energy, a sunrise sector, is expected to emerge as an important growth area as India is moving rapidly beyond fossil fuels as its primary energy source. A recent draft 10-year energy blueprint indicates that 57% of India's total electricity capacity could be derived from non-fossil fuel sources by 2027. And solar energy is expected to be a major contributor to India's vision of energy beyond fossil fuel -- India's solar power generation capacity has already more than tripled in three years to more than 12 GW, even as the Government has set an ambitious target of achieving 100 GW of solar energy capacity by 2022.

E-mobility is another interesting opportunity that can completely alter the dynamics of the storage battery space for the sheer size of the opportunity, for India plans to leapfrog the conventional mobility model to the green mobility model. The government wants to see 6 million electric and hybrid vehicles (22,000 electric vehicles sold in 2016; of which only 2000 were cars and other four-wheelers) on the roads by 2020 under the National Electric Mobility Mission Plan 2020. This thrust is a fallout of a report which mentions that adoption of electric and shared vehicles could help the country save US\$60 billion in diesel and petrol along with cutting down as much as 1 gigatonne (GT) of carbon emissions by 2030.

We believe that to remain successful in a sustainable way, it is imperative to build around what we have created on one hand and keep responding with speed

and sensibility to evolving landscapes on the other.

In keeping with this conviction, we are exploring and evaluating possibilities of making a foray in other technologies even as we work on strengthening our dominance in the lead-acid space. Moreover, we are looking beyond India to those nations who today are where India was a decade or two ago (from a development perspective) and who are likely to follow a similar growth story over the coming years. We are engaging with various stakeholders in these new markets for establishing a meaningful presence in those geographies.

As our business transitions into a new and exciting phase of growth and innovation, the future of your Company could not be in better hands than under a dynamic and experienced leadership team led by Vijayanand as the Chief Executive Officer. We are confident that our leadership team will continue to drive an organisational culture that embraces change, believes in growing talent, and invests ahead of time, anticipating the future needs of our customers.

On behalf of the Company, we take this opportunity to convey our sincere appreciation to all our shareholders and express our gratitude to the government and its agencies, our eminent Board, our joint venture partner Johnson Controls, customers, employees, channel partners, bankers and suppliers for believing in our vision and facilitating the management in taking the Company to newer heights each year.

Warm regards

The Management Team