INDEPENDENT AUDITORS' REPORT

To The Members of Amara Raja Batteries Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Amara Raja Batteries Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the 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, the aforesaid standalone 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 state of affairs of the Company as at March 31, 2022, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone 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 Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company 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 standalone 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 is sufficient and appropriate to provide a basis for our audit opinion on the standalone 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 standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone 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 2M "Revenue Recognition" of the Standalone 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 Company'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 Company'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.
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 40 of the Standalone Financial Statements.	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 Company's controls in respect of warranty provisioning. • Testing the operating effectiveness of these controls during the year.

Sr. No.	Key Audit Matter	Auditors' Response
	The Company 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.	• 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 Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report and Annexures to the Director's Report (but does not include the consolidated financial statements, standalone financial statements and our auditors' report thereon).
- Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 Company 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 Company's ability 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 standalone 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone financial statements.

We communicate with those charged with governance 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 standalone 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.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report 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.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account.

    d) In our opinion, the aforesaid standalone 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 as on March 31, 2022 taken on record by the Board of Directors, none of the directors 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 of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

    g) With respect to the other matters to be included in the Auditor's 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 Company 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 Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

        iv. (a) The Management has represented that, to the best of it's 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 Company 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 Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

        (b) The Management has represented, that, to the best of it's knowledge and belief, no funds have been received by the Company 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, 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 Company during the year is in accordance with Section 123 of the Act, as applicable.

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

        As stated in Note 42 of the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with Section 123 of the Act, as applicable.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Karumanchi Rajaj
Partner
Membership No. 202309
UDIN: 22202309AJHUOJ3190

Hyderabad, May 20, 2022

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

Sumit Trivedi
Partner
Membership No. 209354
UDIN: 22209354AJHUCI6534

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")

We have audited the internal financial controls over financial reporting of **Amara Raja Batteries Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company 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. 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 company'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 Company'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 Company'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 Company 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 criteria for internal financial control over financial reporting established by the Company 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: 22202309AJHUOJ3190

Hyderabad, May 20, 2022

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

Sumit Trivedi
Partner
Membership No. 209354
UDIN: 22209354AJHUCI6534

Hyderabad, May 20, 2022

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment capital work-in-progress and relevant details of right-of-use assets.

B. The Company has maintained proper records showing full particulars of intangible assets.

(b) Some of the property, plant and equipment, capital work-in-progress and right-of-use assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the property, plant and equipment, capital work-in-progress and right-of-use assets at reasonable intervals having regard to the size of the Company and the nature of its activities. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) Based on the examination of the registered sale deed / Government orders provided to us, we report that, the title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the standalone financial statements included in property, plant equipment are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its property, plant and equipment (including right-of-use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventories except for goods-in-transit and stocks held with third parties, were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third parties at the year-end, written confirmations have been obtained and in respect of goods-in-transit, the goods have been received subsequent to the year-end. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories/alternate procedures performed as applicable, when compared with the books of account.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns and statements comprising stock statements and book debt statements filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters, and no material discrepancies have been observed.

(iii) (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee or provided security to any other entity during the year, and hence reporting under clause (iii)(a), (c), (d), (e) and (f) of the Order is not applicable.

(b) The investments made, during the year are, in our opinion, *prima facie*, not prejudicial to the Company's interest.

(iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of investments made, as applicable. The Company has not granted any loans or provided guarantees or securities.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

Name of Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amounts involved (₹ crores)	Amount unpaid (₹ crores)
VAT Laws	VAT	Appellate Authority upto Commissioner level	2011-12 to 2012-13 and 2014-15 to 2017-18	3.70	2.89
		Tribunal	2007-08, 2009-10 and 2011-12 to 2015-16	3.27	1.78
		High Court	2007-08	0.18	0.18
Sales Tax Laws	Sales Tax	Appellate Authority upto Commissioner level	2004-05, 2011-12 to 2012-13 and 2014-15	0.38	0.37
		Tribunal	2007-08	0.14	-
Entry Tax Laws	Entry Tax	Appellate Authority upto Commissioner level	2010-11 to 2011-12 and 2013-14 to 2014-15	1.17	0.94
Income Tax Act, 1961	Income-tax	Appellate Authority upto Commissioner level	2008-09 2017-18 2021-22	1.03	0.40
Central Excise Act, 1944	Excise Duty	Tribunal	2003-04 to 2007-08 and 2015-16	8.02	7.41
Finance Act, 1994	Service tax	Tribunal	2013-14 to 2017-18	53.59	52.30
GST Laws	Goods and Services tax	Appellate Authority upto Commissioner level	2017-18 and 2019-20 to 2020-21	1.04	0.83
Customs Act, 1962	Custom Duty	Appellate Authority upto Commissioner level	2021-22	0.01	-
Wealth-tax Act, 1957	Wealth-tax	Appellate Authority upto Commissioner level	2010-11 to 2011-12	0.25	0.25

Out of the total disputed dues aggregating ₹72.78 crores as above, ₹69.91 crores has been stayed for recovery by the relevant authorities.

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income-tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or Government or any Government authority.

(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

(d) On an overall examination of the standalone financial statements of the Company, funds raised on short-term basis have, *prima facie*, not been used during the year for long-term purposes by the Company.

(e) The Company has not made any investment in or given any loan or advances to its subsidiary during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.

(f) The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.

(x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of Section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements etc. as required by the applicable accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto December 2021 and the draft of the internal audit reports were issued after the balance sheet date covering the period January 2022 to March 2022 for the period under audit.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or persons connected with such directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a),(b), (c) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi) (a), (b) and (c) of the Order is not applicable.

(d) The Group does not have any Core Investment Company ('CIC') as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provisions of sub-section (6) of Section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

(xxi) According to the information and explanations given to us, and based on the CARO report issued by and the information provided by the auditors of the companies included in the consolidated financial statements of the Company we report that CARO is applicable only to the Parent and to no other company included in the consolidated financial statements. We have not reported any qualifications or adverse remarks in the CARO report of the Parent.

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

Karumanchi Rajaj
Partner
Membership No. 202309
UDIN: 22202309AJHUOJ3190

Hyderabad, May 20, 2022

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

Sumit Trivedi
Partner
Membership No. 209354
UDIN: 22209354AJHUCI6534

Hyderabad, May 20, 2022

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	43.05	7.12
(ii) Other financial assets	6	8.32	4.30
(g) Income-tax assets (net)	20	7.24	-
(h) Other non-current assets	11	171.27	110.75
Total non - current assets		**3,551.83**	**2,976.21**
Current assets			
(a) Inventories	7	1,803.78	1,438.24
(b) Financial assets			
(i) Investments	5	34.73	273.42
(ii) Trade receivables	8	792.56	787.46
(iii) Cash and cash equivalents	9	34.31	96.73
(iv) Bank balances other than (iii) above	10	19.26	79.08
(v) Other financial assets	6	16.66	25.52
(c) Other current assets	11	122.72	120.42
Total current assets		**2,824.02**	**2,820.87**
Total assets		**6,375.85**	**5,797.08**
B. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	12	17.08	17.08
(b) Other equity	13	4,534.31	4,193.18
Total equity		**4,551.39**	**4,210.26**
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	108.26	95.39
(c) Deferred tax liabilities (net)	17	31.37	40.74
(d) Other non-current liabilities	21	63.69	59.26
Total non - current liabilities		**297.12**	**257.37**
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		783.40	702.33
(iv) Other financial liabilities	19	298.78	205.32
(b) Provisions	16	137.25	118.58
(c) Current tax liabilities (net)	20	-	4.18
(d) Other current liabilities	21	252.77	224.56
Total current liabilities		**1,527.34**	**1,329.45**
Total equity and liabilities		**6,375.85**	**5,797.08**
Corporate information	1		
Significant accounting policies	2		

See accompanying notes to the 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

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	8,695.82	7,149.68
II	Other income	23	77.98	87.36
III	**Total Income (I+II)**		**8,773.80**	**7,237.04**
IV	**Expenses**			
	Cost of materials consumed		5,969.39	4,382.54
	Purchases of stock-in-trade		473.80	429.99
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(321.86)	(67.85)
	Employee benefits expense	25	498.76	426.04
	Finance costs	26	15.10	10.53
	Depreciation and amortization expense	27	395.72	319.16
	Other expenses	28	1,053.09	863.30
	Total Expenses		**8,084.00**	**6,363.71**
V	**Profit before tax (III - IV)**		**689.80**	**873.33**
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)**		**511.25**	**646.81**
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)
	Total Other Comprehensive Income/(Loss)		**0.70**	**(6.75)**
IX	**Total comprehensive income for the year (VII + VIII)**		**511.95**	**640.06**
	Earnings per share (of ₹1 /- each)	35		
	Basic and Diluted (₹)		**29.93**	**37.87**
Corporate information		1		
Significant accounting policies		2		

See accompanying notes to the financial statements

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Executive Director

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Chief Financial Officer

Vikas Sabharwal
Company Secretary

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		**689.80**		**873.33**
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		1,072.89		1,131.65
Movements in working capital				
Adjustments for (increase)/decrease in operating assets:				
- Trade receivables	(4.72)		(135.76)	
- Inventories	(365.54)		(295.55)	
- Other assets	(6.82)		62.52	
Adjustments for increase/(decrease) in operating liabilities:				
- Trade payables	68.78		144.01	
- Other liabilities	42.76		70.47	
- Provisions	24.94		24.21	
		(240.60)		(130.10)
Cash generated from operations		**832.29**		**1,001.55**
Income taxes paid (net)		(199.34)		(199.52)
Net cash generated from operating activities [A]		**632.95**		**802.03**
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)**

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]		**(62.42)**		**45.56**
Cash and cash equivalents at the beginning of the year		96.73		32.60
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies		-		18.57
Cash and cash equivalents at the end of the year (Refer Note 9)		**34.31**		**96.73**

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 financial statements

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

Karumanchi Rajaj
Partner
M. No. 202309

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

Sumit Trivedi
Partner
M. No. 209354

Place: Hyderabad
Date: 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

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				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**	**3,085.42**	**4.01**	**3,638.53**
Profit for the year	-	-	-	646.81	-	646.81
Other comprehensive income / (loss) for the year, net of income tax	-	-	-	(0.02)	(6.73)	(6.75)
Total comprehensive income for the year 2020-21	**-**	**-**	**-**	**646.79**	**(6.73)**	**640.06**
Payment of dividends [Refer Note 42]	-	-	-	(85.41)	-	(85.41)
Transfer for General reserve	-	-	64.68	(64.68)	-	-
Balance at March 31, 2021	**31.19**	**0.00**	**582.59**	**3,582.12**	**(2.72)**	**4,193.18**
Profit for the year	-	-	-	511.25	-	511.25
Other comprehensive income / (loss) for the year, net of income tax	-	-	-	1.76	(1.06)	0.70
Total comprehensive income for the year 2021-22	**-**	**-**	**-**	**513.01**	**(1.06)**	**511.95**
Payment of dividends [Refer Note 42]	-	-	-	(170.82)	-	(170.82)
Transfer for General reserve	-	-	51.13	(51.13)	-	-
Balance at March 31, 2022	**31.19**	**0.00**	**633.72**	**3,873.18**	**(3.78)**	**4,534.31**

* Amounts below ₹1 Lakh

See accompanying notes to the financial statements

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Company Secretary

Notes to the Financial Statements

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

1. Corporate Information

Amara Raja Batteries Limited "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®.

2. Significant Accounting Policies

A. Statement of compliance

These financial statements are the separate financial statements of the Company (also called standalone financial statements) 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 financial statements have also been prepared in accordance with the relevant presentation requirements of the Act.

B. Basis of preparation and presentation

These 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 financial statements are presented in Indian Rupees (₹) which is also the Company's functional currency.

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 Company 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.

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 Company'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.

D. Use of estimates and judgements

The preparation of the 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 Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

i) Provision for warranty

The Company 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 Company. 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 Company'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.

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

iii) Fair value measurement of financial instruments

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or liability, the Company 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. The Company also engages third party qualified valuers to perform the valuation in certain cases. 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 appropriateness of valuation techniques and inputs to the valuation model are reviewed by the Management.

iv) Income Taxes

The Company'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 Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depend 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 financial statements.

vi) Other estimates

The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company 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. Investment in subsidiaries:

Investment in subsidiaries are carried at cost less accumulated impairment, if any.

G. 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 the Section 133 of the Act, read together with Rule 7 of the Companies (Accounts) Rules, 2014, which the Company 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 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 Statement of Profit and Loss when the asset is de-recognised.

H. Intangible assets

Intangible assets that the Company 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 assets are tested for impairment. Amortisation expenses, impairment losses and reversal of impairment losses are considered in the Statement of Profit and Loss. Thus, after initial recognition an intangible asset is carried at its costs less accumulated amortization and /or impairment losses.

I. 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.

J. Foreign currency transactions and translations

In preparing the financial statements of the Company, 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.

K. Government grants

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

Government grants related to revenue are recognised on a systematic basis in the 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 Balance Sheet and transferred to the 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.

L. Employee benefits

(i) Defined contribution plans

The Company'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 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 reporting period. The defined benefit obligations recognized in the 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 Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur and are not re-classified to the 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 Statement of Profit and Loss.

(iii) Short term and other long term employee benefits

The employees of the Company 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 Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognises accumulated compensated absences based on actuarial valuation. Non-accumulating compensated absences are recognised in the period in which the absences occur. The Company recognises actuarial gains and losses immediately in the Statement of Profit and Loss.

Notes to the **Financial Statements**
All amounts are in ₹ crores, except share data and where otherwise stated

M. 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 Company 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.

N. 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 Company 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 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 Company commits to purchase or sell the asset.

The classification of financial instruments depends on the objective of the Company'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 Company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the 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 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 Company 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 Company 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 Company 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 Company 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 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 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 Statement of Profit and Loss.

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is included in the 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.

O. Leases

The Company 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 Company assesses whether, (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company 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 Company 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 Company 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.

P. Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in the 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.

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 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 Income-tax Act, 1961. 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 Company 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. 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.

Q. Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company 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.

R. Research and development expenses

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the 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.

S. 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.

T. 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 Company's cash management system.

U. 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 standalone 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].

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

Notes to the Financial Statements
All amounts are in ₹ crores, except share data and where otherwise stated

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 subsidiary (at cost unless stated otherwise)		
(i) Amara Raja Batteries Middle East (FZE), U.A.E 2 (March 31, 2021: 2) equity shares of 1,50,000 AED each	0.57	0.57
(b) 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 41D]	5.47	-
Total aggregate unquoted investments [B]	**11.34**	**6.90**
Total investments in equity instruments [C = A+B]	**11.52**	**7.11**
(II) Investment 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 41D]	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]	**43.05**	**7.12**

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	42.86	6.90

* 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*	8.32	4.30
Total	**8.32**	**4.30**

* 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 #	1.04	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	**16.66**	**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)	102.58	97.32
(e) Stores and spares (including secondary packing material)	137.42	127.86
(f) Loose tools	0.69	0.61
Total	**1,803.78**	**1,438.24**
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.

NOTE 8: TRADE RECEIVABLES

	As at March 31, 2022	As at March 31, 2021
(a) Unsecured, considered good	792.56	787.46
(b) Considered doubtful	6.75	9.20
	799.31	**796.66**
Less: Allowance for doubtful receivables	(6.75)	(9.20)
Total	**792.56**	**787.46**

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	621.25	168.17	3.14	-	-	-	792.56
(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
	621.25	168.17	3.14	1.72	1.08	3.95	799.31
Less: Allowance for doubtful receivables							(6.75)
Total							792.56

	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	553.55	228.50	4.77	0.64	-	-	787.46
(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
	553.55	228.50	4.77	2.47	3.46	3.91	796.66
Less: Allowance for doubtful receivables							(9.20)
Total							787.46

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 Company 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	28.80	85.40
(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	**34.31**	**96.73**

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	52.65	57.90
(c) Advances to employees	0.32	0.30
(d) Balances with government authorities (Advances, GST credit and VAT credit)	23.73	23.23
(e) Prepaid expenses	13.09	8.84
(f) Other receivables (export incentives, etc.)	30.04	27.35
Total	**122.72**	**120.42**

Notes to the **Financial Statements**
All amounts are in ₹ crores, except share data and where otherwise stated

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 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 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 Company 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 company'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	3,873.18	3,582.12
Retained earnings represents the cumulative undistributed profits of the Company and can be utilised in accordance with the provisions of the Companies Act, 2013.		
Total	**4,534.31**	**4,193.18**

*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 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.

Notes to the **Financial Statements**
All amounts are in ₹ crores, except share data and where otherwise stated

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		
Employee benefits		
- Leave encashment	20.27	18.18
Other provisions		
- Product warranty [Refer Note 40]	87.99	77.21
Total	**108.26**	**95.39**
Current		
Employee Benefits		
- Leave encashment	4.54	3.82
- Gratuity [Refer Note 32]	0.83	5.92
Other provisions		
- Product warranty [Refer Note 40]	131.88	108.84
Total	**137.25**	**118.58**

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)**

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	783.40	702.33
	806.45	**746.47**

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	513.23	122.59	1.09	0.92	2.68	**640.51**
(iii) Disputed dues - MSME	-	-	-	-	-	**-**
(iv) Disputed dues - Other than MSME	142.89	-	-	-	-	**142.89**
	679.17	**122.59**	**1.09**	**0.92**	**2.68**	**806.45**

	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	98.48	4.04	1.94	1.82	**558.43**
(iii) Disputed dues - MSME	-	-	-	-	-	**-**
(iv) Disputed dues - Other than MSME	143.90	-	-	-	-	**143.90**
	640.19	**98.48**	**4.04**	**1.94**	**1.82**	**746.47**

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]	145.87	130.20
Total	**298.78**	**205.32**

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.

Notes to the **Financial Statements**
All amounts are in ₹ crores, except share data and where otherwise stated

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	51.32	27.12
(d) Others (includes accruals relating to trade promotion schemes)	136.94	142.59
Total	**252.77**	**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)	8,611.53	7,091.49
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	**8,695.82**	**7,149.68**
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	432.28	317.21
- Home UPS	98.49	92.02
Sub-total - Sale of traded goods	**530.77**	**409.23**
Total - Sale of products	**8,611.53**	**7,091.49**

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	81.71		17.98	
- Home UPS	15.61	97.32	20.06	38.04
[A]		**722.44**		**654.59**
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	58.69		81.71	
- Home UPS	43.89	102.58	15.61	97.32
[B]		**1,044.30**		**722.44**
(Increase) in finished goods, work-in-progress and stock-in-trade [A-B]		**(321.86)**		**(67.85)**

NOTE 25: EMPLOYEE BENEFITS EXPENSE

	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Salaries and wages	389.22	328.13
(b) Contribution to provident and other funds [Refer Note 32]	37.64	43.30
(c) Staff welfare expenses	71.90	54.61
Total	**498.76**	**426.04**

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		2.15		1.49
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		4.27		7.05
Communication		2.00		2.03
Travelling and conveyance		12.23		6.33
Outward freight and handling charges		260.05		203.74
Advertisement and sales promotion		38.34		27.02
Expenditure on Corporate Social Responsibility (Refer Note 43)		16.43		15.20
Legal and professional		26.52		9.89
Payment to auditors [Refer Note below]		1.22		0.95
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		84.54		114.11
Total		**1,053.09**		**863.30**
Note:				
Payment to auditors comprise (net of GST) *				
(a) To statutory auditors				
- Statutory audit fee		0.90		0.70
- 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
		1.22		**0.95**

* 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	**689.80**	**873.33**
Income tax expense calculated at 25.168% (2020-21 : 25.168%)	173.61	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)	(2.36)	(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 Company 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 Company through Andhra Pradesh Southern Power Distribution Corporation Limited ('APSPDCL'). The Management 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 Company in it for non-payment of dues. The Management has initiated arbitration proceedings against the claim and the said action of APGPCL and is confident of a favourable outcome in this matter.

	As at March 31, 2022	As at March 31, 2021
(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 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 Company 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

a. Defined contribution plans

The Company makes Provident Fund, Superannuation Fund and Employees' State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. The 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 Statement of Profit and Loss.

b. Defined benefit plans

The Company 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 Company 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 Company 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	59.03	55.98
Fair value of plan assets	(58.20)	(50.06)
Liability recognised in the Balance Sheet	**0.83**	**5.92**

Notes to the **Financial Statements**
All amounts are in ₹ crores, except share data and where otherwise stated

(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**	**43.67**	**3.54**
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**	**55.98**	**5.92**
Current service cost	-	4.48	4.48
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**	**59.03**	**0.83**

(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	4.48	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%

(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 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 Company.

Geographical information

The Company 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 Company are situated within India.

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	1,137.65	881.51
Total	**8,695.82**	**7,149.68**

Refer to Note 41 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	
Entitity where control exists - Subsidiary	
Amara Raja Batteries Middle East (FZE), U.A.E.	
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
Amara Raja Batteries Middle East (FZE)	3.79	2.31
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
Amara Raja Batteries Middle East (FZE)	1.02	0.51
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

Notes to the **Financial Statements**
All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 34: RELATED PARTY TRANSACTIONS (CONTD.)

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	-
Amara Raja Batteries Middle East (FZE)	1.12	0.94
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
Amara Raja Batteries Middle East (FZE)	0.99	0.05
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

NOTE 34: RELATED PARTY TRANSACTIONS (CONTD.)

Particulars	As at March 31, 2022	As at March 31, 2021
Other Payables		
Rajanna Trust	-	2.27
Investment in subsidiary		
Amara Raja Batteries Middle East (FZE)	0.57	0.57
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]	511.25	646.81
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]	**29.93**	**37.87**

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: DISCLOSURE AS PER REGULATION 53(F) OF SECURITIES EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

(i) Loans and advances in the nature of loans given to Companies in which Directors are interested ₹ Nil (March 31, 2021: ₹ Nil)

(ii) Details of investments made under Section 186 of the Companies Act, 2013 are disclosed in Note 5. There are no loans/guarantees issued under Section 186 of the Companies Act, 2013 read with rules issued thereunder.

Notes to the **Financial Statements**
All amounts are in ₹ crores, except share data and where otherwise stated

NOTE 39: 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 40: 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 Company's 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 41: FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

A. Capital Management

The Company's financial strategy aims to support its strategic priorities and provide adequate capital to its businesses for growth and creation of sustainable stakeholder value. The Company funds its operations through internal accruals. The Company 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 Company 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 Company's Capital Management.

NOTE 41: 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
Financial assets				
Measured at amortised cost				
(i) Cash and cash equivalents	34.31	96.73	34.31	96.73
(ii) Other bank balances	19.26	79.08	19.26	79.08
(iii) Trade receivables	792.56	787.46	792.56	787.46
(iv) Other financial assets	24.98	29.82	24.98	29.82
(v) Investments	0.01	0.01	0.01	0.01
Measured at cost				
(i) Investment in subsidiary	0.57	0.57	0.57	0.57
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	-
Measured at FVTPL				
Mandatorily measured:				
Current investment- Mutual funds	34.73	273.42	34.73	273.42
Total Financial assets	**948.89**	**1,273.63**	**948.89**	**1,273.63**
Financial liabilities				
Measured at amortised cost				
(i) Borrowings	23.39	34.34	23.39	34.34
(ii) Trade payables	806.45	746.47	806.45	746.47
(iii) Other financial liabilities	298.78	205.32	298.78	205.32
(iv) Lease Liabilities	102.50	57.98	102.50	57.98
Total Financial liabilities	**1,231.12**	**1,044.11**	**1,231.12**	**1,044.11**

C. Financial risk management objectives

The Company 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 Company'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 Company.

Liquidity Risk

The Company 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 Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended March 31, 2022 and March 31, 2021. Cash flow from operating activities provides the funds to service the financial liabilities on a day to day basis.

The Company 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 Company's current assets aggregate ₹2,824.02 crores (March 31, 2021 ₹2,820.87 crores) including Current investments, Cash and cash equivalents and Other bank balances of ₹88.30 crores (March 31, 2021₹449.23 crores) against an aggregate current liability of ₹1,527.34 crores (March 31, 2021 ₹1,329.45 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 Company's total equity stands at ₹4,551.39 crores (March 31, 2021: ₹4,210.26 crores), it has borrowings of ₹23.39 crores (March 31, 2021: ₹34.34 crores). In such circumstances, liquidity risk or the risk that the Company may not be able to settle or meet its obligations as they become due does not exist.

Market Risk

The Company 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 Company 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 Company 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 Company 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 Company is subject to the risk that changes in foreign currency values impact the Company's export revenues and import of raw materials and property, plant and equipment. The Company 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 Company manages currency exposures within prescribed limits. The aim of the Company's approach to management of currency risk is to leave the Company 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	84.48	-	-	-	**84.48**
- Cash and cash equivalents	0.63	0.00	-	0.00	**0.63**
Financial Liabilities					
- Trade Payables	(128.30)	(3.43)	(1.17)	(0.97)	**(133.87)**
- Other financial liabilities	(28.54)	(9.82)	(0.48)	-	**(38.84)**
Net financial asset / (liability)	**(71.73)**	**(13.25)**	**(1.65)**	**(0.97)**	**(87.60)**

As at March 31, 2021	USD	EURO	GBP	Other currencies*	Total
Financial Assets					
- Trade receivables	87.68	-	-	-	**87.68**
- Cash and cash equivalents	8.26	-	-	0.00	**8.26**
Financial Liabilities					
- Trade Payables	(119.90)	(4.30)	(2.36)	(0.34)	**(126.90)**
- Other financial liabilities	(16.39)	(9.01)	-	-	**(25.40)**
Net financial asset / (liability)	**(40.35)**	**(13.31)**	**(2.36)**	**(0.34)**	**(56.36)**

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

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 Company 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 Company's customer base being large and diverse. All trade receivables are reviewed and assessed for default on a monthly basis. The Company'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 Company 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 41.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.

Notes to the **Financial Statements**
All amounts are in ₹ crores, except share data and where otherwise stated

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 Company as part of its strategic initiatives has made an investment of ₹36.99 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 comprehensve income. Owing to the nature of this initial investment (in unquoted instrument) and as permitted by Ind AS, where insuffcent, 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	8.32	4.30
Sub-total		**8.32**	**4.30**
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		**85.52**	**284.26**
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**

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

NOTE 42: 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 2021-22 (₹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 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 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 43: CORPORATE SOCIAL RESPONSIBILITY

Particulars	FY 2021-22		FY 2020-21	
(i) Gross amount required to be spent by the Company during the year		16.25		15.20
(ii) Amount spent during the year on:				
(a) Construction/acquisition of any assets	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 Company
- 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 44: KEY FINANCIAL RATIOS

Sl. No.	Ratio	Numerator	Denominator	FY 2021-22	FY 2020-21	% variance
1	Current ratio	Current assets	Current liabilities	1.85	2.12	-13%
2	Debt-equity ratio	Total Debt (Borrowings)	Total Equity	0.01	0.01	0%
3	Debt service coverage ratio	Earnings available for debt service#	Finance costs (excluding costs pertaining to lease liabilities and unwinding of discount on warranty provision) + Repayment of Borrowings	77.01	73.84	4%
4	Return on equity (%)	Profit for the year	Average Total Equity	11.67%	16.45%	-29%*
5	Inventory turnover ratio	Cost of goods sold	Average Inventory	3.78	3.68	3%

NOTE 44: KEY FINANCIAL RATIOS (CONTD.)

Sr. No.	Ratio	Numerator	Denominator	FY 2021-22	FY 2020-21	% variance
6	Trade Receivables turnover ratio	Revenue from Sale of Products and Services	Average Trade receivables	10.95	10.02	9%
7	Trade payables turnover ratio	Net Purchases of raw material, packing material and stock-in-trade	Average Trade Payables	8.34	7.35	13%
8	Net capital turnover ratio	Revenue from operations	Working Capital (Current Assets - Current Liabilities)	6.71	4.79	40%^
9	Net profit ratio (in %)	Profit for the year	Revenue from operations	5.88%	9.05%	-35%*
10	Return on Capital employed (%)	Profit before interest (excluding interest on lease liabilities) and tax	Capital employed [Total Equity + Total Debt (Borrowings)+ Deferred tax liabilities]	14.99%	20.39%	-26%*
11	Return on investment (%)	Income during the year	Time weighted average of investments			
a	Return on Mutual Funds			3.52%	3.44%	2%
b	Return on Fixed deposits			6.04%	6.39%	-5%

* Impact on ratios is on account of decrease in profits owing to cost pressures
^ Growth in revenue along coupled with reduction in working capital
# Earning available for Debt Service: Profit after tax + Depreciation and Amortisation Expense + Finance costs (excluding interest on lease liabilities and unwinding of discount on warranty provision) + Net loss on sale of property, plant and equipment-Deferred revenue income recognised

NOTE 45:

The Company on April 30, 2021 received closure orders from the Andhra Pradesh Pollution Control Board ('APPCB') for the Company's plants situated at Karakambadi, Tirupati and Nunegundlapalli Village, Chittoor District. Consequently, the 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 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 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 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 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 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