



**Amara Raja Batteries Limited**  
**Transcript of the 37<sup>th</sup> Annual General Meeting (“37<sup>th</sup> AGM”) held virtually via VC/OVAM<sup>1</sup> on**  
**Saturday, August 06, 2022**  
**02:30 P.M.IST to 04:07 P.M. IST**

---

**Participants of the Company**

**Mr. Jayadev Galla**

Chairman, Managing Director & CEO

**Mr. Harshavardhana Gourineni**

Executive Director

**Mr. Vikramadithya Gourineni**

Executive Director

**Mr. N Sri Vishnu Raju**

Independent Director & Chairman of AC<sup>2</sup>, NRC<sup>3</sup>, RMC<sup>4</sup>

**Mr. T.R. Narayanaswamy**

Independent Director & Chairman of SRC<sup>5</sup>

**Mrs. Bhairavi Tushar Jani**

Independent Director

**Mr. Annush Ramasamy**

Independent Director

**Mr. S Vijayanand**

President – New Energy

**Mr. C. Narasimhulu Naidu**

Chief Operations Officer

**Mr. Y Delli Babu**

Chief Financial Officer

**Mr. Vikas Sabharwal**

Company Secretary

Other Senior Management team, Partners of Joint Statutory Auditors, Secretarial Auditors, Scrutinizer and Shareholders.

---

<sup>1</sup> Video Conference & Other Audio Video Means

<sup>2</sup> Audit Committee

<sup>3</sup> Nomination & Remuneration Committee

<sup>4</sup> Risk Management Committee

<sup>5</sup> Shareholders Relationship Committee

**Moderator:** The 37<sup>th</sup> AGM is now live, over to Mr. Vikas Sabharwal, Company Secretary.

**Vikas Sabharwal:** Thank you, Moderator. Ladies and Gentlemen, Good Afternoon! I hope you and your entire family are safe and healthy. It gives me great pleasure to welcome you all to Amara Raja Batteries Limited's 37<sup>th</sup> AGM, which is being held via Video Conferencing (VC)/ Other Audio Video Means (OAVM) in accordance with the circulars issued by the Ministry of Corporate Affairs and SEBI. I would like to welcome and introduce the directors and other dignitaries who has joined 37<sup>th</sup> AGM from their respective locations.

Mr. Jayadev Galla, Chairman has joined us from Delhi since he is also supposed to vote for the purpose of appointment of Vice President of India.

Mr. N Sri Vishnu Raju, Mr. T R Narayanaswamy, Mrs. Bhairavi Tushar Jani & Mr. Annush Ramasamy, Independent Directors are participating from their respective locations.

Mr. Harshavardhana Gourineni, Mr. Vikramadithya Gourineni, Executive Directors, Mr. Y Delli Babu, Chief Financial Officer and myself along with Mr. S Vijayanand, President-New Energy & Mr. C. Narasimhulu Naidu, Chief Operations Officer are participating through VC/OVAM from the corporate office of the Company at Hyderabad, Telangana.

I would also like to confirm that partners of Brahmaya & Co., Chartered Accountants, and Deloitte Haskins & Sells LLP Chartered Accountants, Joint Statutory Auditors of the Company and M/s R Sridharan & Associates, Practicing Company Secretaries, Secretarial Auditors as well as the Scrutinizer for the meeting and the e-voting processes are also attending the meeting.

The requisite quorum for the meeting being present, I now call the meeting to order and commence the proceedings of the meeting.

I would like to inform you that in accordance with the provisions of the Companies Act 2013 MCA, SEBI circulars, Company has taken all necessary steps and made every effort under the current circumstances to enable members to participate in this 37<sup>th</sup> AGM via AC/OVAM.

I would also like to take this opportunity to inform the members that the Register of Directors, Key Managerial Personnel and their shareholding and Register of Contracts in which Directors are interested as well as other documents that are required and mandated to be made available for inspection by the members in accordance with the Companies Act, are available for inspection electronically. Members who are interested in inspecting the same, may send an email at [investorservices@amararaja.com](mailto:investorservices@amararaja.com).

As this AGM is being held through VC/OA-VCM, the facility for appointment of proxies by the member is not applicable.

The following is the meeting scheduled for today, following my conclusion of general instructions, the Chairman and the Executive Director will deliver their respective addresses, which will be followed by Q&A session.

In the Q&A session, those members who had pre-registered as speaker shareholders for the 37<sup>th</sup> AGM will be invited one-by-one to raise their questions/queries. The e-voting facility will be activated during the meeting and the members who have not casted their votes will be given an opportunity to exercise their votes.

In considering the time of all the attendees, members are requested to be concise in terms of the questions which they raise, limit their remarks to matters pertinent to the notice of the AGM conclude their remarks within a couple of minutes.

At the conclusion of the Q&A session, the Chairman, Executive Directors and or other Senior Management Team, will respond to the questions posed by the members.

The meeting will conclude following the Q&A session and the e-voting facility would remain active for a period of 15 minutes following the conclusion of this AGM.

I now request the Chairman to address the members. Over to you Jay.

**Jayadev Galla:**

Dear Shareholders, good afternoon and a warm welcome to all of you to the 37<sup>th</sup> AGM of your Company. It is a great honor for me to be addressing you as the Chairman of your Company. I know that some great big shoes to fill and I assure you that the legacy of relentless growth that our founder Chairman leaves will be continued with even more gusto.

Esteemed Shareholders, the Company's accounts for the year ended March 31, 2022, have already been shared with you. With your permission, I would like to take them as read.

In the last two years, we have been through unpredictable times not just closer to home, but also globally, due to two major events, the COVID pandemic and the Russia Ukraine war. The world is now looking at another global recession.

The pandemic and the precautionary measures taken as left the foreign exchange reserves of many countries dangerously low, with countries whose economy relied on tourism, particularly badly affected, as we have seen in our own neighborhood. The economy rebound as the vaccinated populations emerged from lockdowns and began spending, caused supply chain tightness, sparking the beginnings of an inflationary spike. The ways of COVID-19 variants and supply chain disruption have led to an unequal global economic recovery. While rising inflation and record debt constrain the ability of the countries to address these recurring challenges.

The Russia Ukraine crisis has only worsened the cost-of-living crisis and its inflationary impact is already being felt across the world in a wide variety of sectors.

These tumultuous events lead to long term tectonic shifts as well. The shift in energy sources being one of the main among them. Russia is the world's largest national gas exporter; the second largest exporter of crude oil; and the third largest producer of crude oil. Before the invasion of Ukraine, Europe and China imported around 60% and 20% of Russia's oil respectively and Europe got 40% of its gas from them.

The Russian invasion of Ukraine pushed crude oil prices through a 14-year high and had a similar impact on European gas prices. High shipping costs and buyers lack of willingness to order oil from Russian ports meant that Russia supply to global markets was severely disrupted.

The EU and much of western world has suddenly woken up to the dangers of over reliance on hydrocarbons, and on any one external partner. This has led them to accelerate the transition to renewables. How quickly the change happens, and what it means to energy storage solution providers will be seen in the very near future.

While this was the case worldwide, our own Country has not been immune to the impacts of above events. India has seen high inflation with the prices of commodities touching new highs, even as the fuel prices have spiked up drastically, thus burdening the common man even further.

Amid all these challenges, I am happy to inform you that our business has bounced back to and even exceeded our pre-pandemic levels. I would like to put on record my gratitude to our entire organization across levels, in particularly the frontline sales team and all employees at the plants for their dedication and commitment to our purpose, throughout the second and third waves of the pandemic. It is this spirit that has allowed us to recover from the setbacks and make large strides towards the high growth that we envisaged.

Your Company featured in the Forbes World's Best Employers List for 2021, for the second time in a row. We have also won various excellence awards during the year, like the gold award in the CII-Southern Region, EHS Excellence Awards, Par Excellence Award at the International Convention on Quality Control Circles, Operational Excellence Award in reverse logistics etc.

I would also like to mention some key employee initiatives undertaken during the year. The biggest of course, was undertaking a close to 100% vaccination drive for all employees at the plants and extending support to all employees outside plant locations. The Group Life Cover Policy was extended to employees at all levels, Operators welfare benefits were reviewed and upgrades were implemented. While the rest of the industry was witnessing layoffs, we have only added to our employee headcount. We also undertook a close review of succession and senior leadership pipeline. We launched the AR-ProPel a customized program developed with ISB for our next generation of leaders, and the same is currently underway.

Dear shareholders, last year I have spoken about our endeavor to be a leader in the larger Energy and Mobility solution space. We have made much progress in the area since then, and we will update you during the course of this meeting. We have successfully broadened our outlook to address the opportunities that are knowledge and expertise presented before us. Relentless growth can only come when we are part of the changing narrative in technology. Luckily, for us, it was a part of our organizational DNA that we are ready today only because of the bold steps and the many leaps of faith we took in the past.

I will now call upon Harsha to talk a little about the different facets of the business from the year and Vikram can update on the progress in the organization and our new energy vertical. Harsha over to you.

**Harshavardhana G.:**

Thank you, Chairman. Esteemed Shareholders, it is an honor to address you today. Let me start with the key financial performance figures. In the financial year 2021-2022, our revenue was Rs. 8696 crores and our EBITDA was Rs. 1091 crores, with a margin of 12.5%. Our net profit for the year was Rs. 511 crores. The financial year saw strong volume growth in both the Automotive and Industrial segments. However, due to inflation in the input costs, our margins were under pressure as we could not recover this fully from our customers.

The pent-up demand from the previous year and the first half of FY22 that the automotive division to report an 18% growth. We continue to enjoy being the preferred brand for the leading OEMs in India.

For automotive battery and inverter battery brands, Amaron and Power Zone are distributed pan India through our 30000 plus strong network and post the lockdown

we witnessed high off takes. Our exports to over 30 countries also showed remarkable growth.

The industrial battery segment reported an impressive growth of 28% over the previous year in value terms, even though there were some hiccups in the first quarter due to the pandemic. The organization added telecom sites in the O&M portfolio in both the AP and Orissa circles, the UPS vertical registered healthy growth in volumes and value as well.

In FY22, the Company commenced sales, sales operations in Nigeria and Indonesia, while we also saw healthy business growth in exports to the Middle East and APAC region. The growth of the two segments was mainly driven by the trust shown by our customers and our focus to build a deeper relationship with them.

I would like to highlight that we have been utilizing our manufacturing capacities at optimum levels to address their needs.

The last couple of years will go down as a turning point in history, not just because of the COVID-19 pandemic that has disrupted all of our lives, but because it has brought back more attention on issues that the world must address in the years and decades to come. While it is important we achieve our business milestones, it is equally important we deploy the right methods to achieve them.

We must balance the needs of society, the environment and the economy, in our own operations and across our value chain. As you know, our organization has been at the forefront of sustainability initiatives in this industry.

With renewable energy becoming the needs of the hour, we have installed 16 megawatt hours of rooftop solar and are in the process of setting up another 50 megawatt hour plant. Whether it is harnessing the right skills, or doing our bit for the environment, we are always looking at ways to make society a better place to be in. We have undertaken afforestation on barren hillock developed an exclusive greenbelt and created check dams to improve groundwater levels in the region. We have created rainwater harvesting structures within our premises to reduce groundwater consumption. We continue to perform better than global standards in all manufacturing and safety parameters.

Digitalization and technology adoption has the power to smoothen out many processes and enhance business productivity. As an organization that has been built on the ethos of making lives better, we have invested significantly in digital technologies. We recently unveiled our e-commerce website and app to help our customers buy products at their own comfort and convenience. The app has a host of features for our channel partners as well, including warranty registrations and claims processing.

Going ahead, we are looking at implementing a CRM System to enhance the experience of our customers and bring the Company franchisees, retailers, all end customers onto the same platform. Our soon to be launched vendor portal will streamline our engagement with suppliers and vendors and improve procurement costs and efficiency. The use of newer technologies like industrial IoT, analytics, and robotic process automation will help us improve shop floor efficiency, and the management's decision-making process.

Along with focusing on business, we are committed to the development of the communities where we have our operations. Our skill development centers ensure we build capability in the local community in addition to providing employment.

We have also improved on our extended producer responsibility and are created in our creating an effective reverse supply chain to collect used batteries from across the country and are in the process of setting up our own battery recycling center to truly create a circular economy.

Amara Raja is built on the strength of our people, and they are always our top priority. For our employees, we are creating a safe, fair, equitable and inclusive, inclusive working environment in which they can succeed and develop as well as reinforcing our long-standing commitment to providing better opportunities for more and more people.

As we look into the future with great optimism, we shall strive to grow and achieve newer heights in the days to come. Thank you and over to the Vikram.

**Vikramadithya Gourineni:** Thanks Harsha.

Dear shareholders, it is my privilege to have the opportunity to address you and share how we are Amara Raja view the emerging new energy landscape. As you may be aware, I am reaching close to a decade with the Amara Raja group and I have had the opportunity to witness a number of disruptions hitting our businesses. With shifting Business and Technology landscapes, the group felt a bold new direction, from battery to “Energy and Mobility” was an order and I have been tasked with leading the New Energy vertical. This differentiation allows us to continue delivering growth in our core business while taking dedicated and proactive steps to make ready solutions for emerging applications.

In the near term, the priorities in this business will be to aggressively invest behind Talent and Technology. While there are a number of hurdles to overcome, these will undoubtedly be the critical success factors. I keep coming across references to there being a global war for talent and I admit this is no understatement. There are multiple tectonic shifts in the talent landscape that are worth pointing out. There were several trends preceding the COVID 19 pandemic that found permanency as a result. While the list can be exhaustive at the core, challenge to manage a greater degree of flexibility than ever before. In addition, with a record number of startups emerging every year, the professional world has also seen a rapid flattening of traditional corporate hierarchy and far more empowerment from day one. The final aspect I would care to point out is that corporates more than ever have been using purpose as a key driver for attracting talent. We have seen an explosion in terms like sustainability, net zero, responsibly sourced and many more. All of this culminates in inculcating talent with purpose. While we take great pride in the culture we have built in Amara Raja over the past few decades, we must also be open to transforming ourselves as needed. As a Company, we are also striving to provide greater flexibility, empowerment, and purpose to recruit the best talent from not only India, but the world. There is simply put, my job is to build the team that will build the business.

Speaking beyond the point that technology will be the equivalent of crystal ball gazing. We receive reports on a daily basis of promising new technologies, but at least for now, we are confident on the prospects of lithium based battery chemistries to address the significant markets of electric mobility and stationary energy storage.

In India, the uncertainty surrounding electric mobility some years back is largely cleared up and as proof we are seeing a rapid increase in the number of electric vehicles on the road. There are still some hurdles to overcome around areas like safety with the recent spate of fires, availability of charging cost and some performance characteristics, but any apprehension around the lack of demand has

largely faded. I would even go so far as to say that all of the aforementioned issues need to be ironed out, but the eventual transition to full electric mobility is inevitable. The question today is not if but by when. Today the transition is happening rapidly in the two and three-wheeler spaces. While there have been definitely successful entries, we are yet to see significant momentum in the four-wheeler and commercial vehicle space. These segments have more long term hurdles that need to be overcome. But again, keeping in mind the question is when and not if.

As Amara Raja, we have made important investments in creating relevant infrastructure and building capabilities invested in a state of the art, R&D facility to assemble battery packs as well as to manufacture lithium cells. This is the first of its kind facility by a private player in India. In financial year 22, we invested in a couple of technology startups to support in the development of lithium cell chemistry and manufacturing technologies. We continue to actively scout for promising technology and cell chemistry, pack design, and power electronics with the aim to manufacture and supply safe and world class solutions customized for optimal performance in the Indian Ocean rim markets that we serve.

We have built strategic supply partnerships with key two and three-wheeler players in India for battery packs and chargers. With the cumulative android experience of 85 million kilometers traveled. This has provided us with invaluable data to help us continuously improve our products. In addition, we continue to supply packs to our telecom customers with an eye on a larger future demand fueled by 5G adoption and small cell sites. In FY 22, we scaled up our product portfolio, capacity and market presence. I take this opportunity to mention with immense pride that we are one of the first players in India to achieve the IATF 16949:2016 and ISO 9001:2015 certification for our lithium-ion batteries.

We are fast tracking our project to set up a Customer Qualification Plant (CQP) also called a mega factory to the overall capacity, that will precede an investment in setting up a Giga factory with a capacity of 10-12 GWh with provision to expand further in line with market demand. The CQP will allow us to work with a number of different cell chemistries and formats, with the final selected products making their way into the gigafactory for commercial production.

We stand at a critical juncture for the business but the future is indeed bright and the teams are geared up and energized to navigate the Company through what lies ahead. Thank you, I would like to pass it back to the Chairman now.

**Jayadev Galla:**

Thank you Harsha and Vikram.

Dear shareholders, I would like to re-emphasize my commitment to maximize value for all stakeholders and to maintain our dominance and energy storage and mobility solutions.

I would like to place on record my sincere thanks to our customers, the Central and State Governments, the suppliers and the bankers. I would also like to take this opportunity to thank you, our dear shareholders for your continued and wholehearted support for our initiatives. Last but not least, I would like to express my gratitude to my colleagues on the board for contributing to the progress of the Company and extending their full cooperation and the discharging of my functions as the chairman of the board. Thank you ladies and gentlemen.

I now request Mr. Vikas Sabharwal, Company Secretary to provide the brief summary on Notice of this AGM, Auditor's Report, details on remote e-voting provided to the

members, the e-voting during this AGM and to conduct the question-and-answer session. Over to you Vikas.

**Vikas Sabharwal:**

Thank you Chairman.

The notice convening the meeting along with the Annual Report for the year 2021-22 have already been circulated to the members. With your permission, I shall take them as read. All the resolutions as mentioned in the notice of the 37<sup>th</sup> AGM are now tabled before the meeting.

The Joint Statutory Auditors have given an unmodified opinion on the financial statements for the financial year ended March 31, 2022, which does not have any qualification or observation hence the Auditor's Report is taken as read. Also, there are no adverse remarks or qualification in the report issued by Secretarial Auditors for the financial year ended March 31, 2022. Hence the same are also taken as read.

The Company had provided remote e-voting facility to the members to exercise their vote in respect of the business proposed at this AGM through National Securities Depository Limited, NSDL. The remote e-voting commenced on August 2, 2022 at 9:00 AM IST and ended on August 5, 2022 at 5:00 PM IST. All resolutions proposing the AGM shall be decided through e-voting only. There will be no proposing or seconding of the resolutions or voting by show of hands or ballots.

Pursuant to the Secretarial Standard, please note that as per the AGM notice, dated May 20, 2022 the resolution number 1 to 4 are mandatorily required to be passed at the AGM under the provisions of the Companies Act 2013 and resolution number 5 is a Special Business considered as important unavoidable by the Board and hence it is proposed at this AGM.

I would like to inform the members that the text of the resolution and the explanatory statement wherever applicable has been provided in the notice convening this AGM and has been circulated to the members and also available on the website of the Company.

Members as on the cutoff date, that is July 30, 2022, who have not exercised their vote through remote e-voting and are participating in this AGM through VC are entitled to vote during this meeting through e-voting facility provided by NSDL.

The icon for the e-voting will be made available on the screen, which will redirect you on to a separate window wherein you can cast your e-vote on the portal of NSDL. Once the e-voting facility is activated, eligible members are requested to cast their vote while watching the proceedings of the meeting. The e-voting facility will continue for a period of 15 minutes after the conclusion of the AGM.

Mr. R Sridharan from M/s R. Sridharan & Associates, Practicing Company Secretaries, Chennai were appointed as Scrutinizer for remote e-voting as well as e-voting done today during the AGM. He will consolidate the results of the remote e-voting and the voting done during the meeting and then submit the report to the Chairman or to any other person authorized by him.

The results along with the Scrutinizer's report will be submitted to the stock exchanges on or before August 8, 2022. The same will be made available on the Company's website as well as on the website of the NSDL. I now hand over to the moderator to call the names of the shareholders who have registered as Speaker shareholder one by one. Over to your moderator.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. I now invite our first speaker shareholder Mr. Praful Chavda to unmute his audio and video and pose this question.

**Praful Chavda:** Thank you, sir. Good afternoon, Board of Directors, Chairman sir, Amara Raja is the only Company at whose AGM, we take in front is very colorful. Your Annual Report is so colorful in page number 4 and 5 where you have shown through the graph how Company is progressing and 5 year graph is also colorful.

I thank Company Secretary and his team, who have fantastically made the Annual Report and you have also considered what Board of Directors and shareholder want. For this I am grateful to you.

We cannot comment about the accounts because your accounts are handled by Deloitte India and Brahmayya. These are the Auditors who manage accounts appropriately and do it without any disruptions and make sure the Company work on good guideline. My sincere thanks to them also. Sir, we see that future is of battery like chargeable two-wheeler. So, do we make any such battery which will work on two-wheeler, four wheelers.

Now lithium batteries are coming and sodium battery are the future. Sodium battery will be much cheaper and its raw material is made in whole India. The raw material for lithium battery is not available in India and there is always a shortage. So, I think we will have more benefit if we produce sodium battery.

Please tell whether your Research and Development center is working on it or not. Thank you sir.

In revenue you had taken a large jump, in last 2019-2020 there was no progress in business, but in 2021-2022 you jumped high and did business of Rs. 8600 crores, but now our heart says there would have been Rs. 10,000 crores turnover if we have worked hard.

We have strong hope that next year we will be having 10,000 crores turnover and will set the milestone. Sir, I have seen the electronic vehicles which are coming, there are many manufactures while there are only 5-6 companies which make petrol vehicle. Is it easy to make such vehicles and there are many two-wheelers coming up. If you can manufacture on your own how will that be, this is my thought that you are a brand Amara Raja. If you launch Amara Raja Electronic Vehicle, you will get great benefit of your brand.

I just want to say that Commonwealth Games are going on, many people won gold, silver and bronze medals which raise the India's Name in pride. There should be some compliments/awards of 5 lakh, 10 lakhs. These are small amount if you give to gold medalist. Help these type of people so that they bring more gold medals and raise the name of the Company. This is what I think. Thank you sir.

**Moderator:** Thank you, Mr. Chavda. I would now invite our next speaker, shareholder, Mr. Dipankar Purkayastha, to please proceed ahead with your queries.

**Dipankar Purkayastha:** Good afternoon, everybody. Thank you for the opportunity. What I would like to say is that, in your annual report, you have said that the lead acid business is not going away, it's going to remain for quite some time, even in the era of e-vehicle. I agree with you. The point is well taken, but unfortunately the reality of the market is that you are going to be increasingly judged by the success and the progress that you have achieved, towards the manufacturer of e-vehicle batteries. The lead acid battery

business, no matter how substantial it is, is going to be viewed as a cash cow, it will generate funds for investing in the e-cell business. So, from that standpoint, I have a couple of questions. First is the Annual Report being silent on our application under the government of India's Production Linked Incentive (PLI) scheme. I know we had applied, but we did not make it to the final list. So, could you just tell us the reasons why we were unsuccessful? Because I find all companies, a diamond exporter has made it to that list whereas a Company like ours with so much background and experience did not make it to that list. So, is it that technically we did not qualify or that the scale of our production, the proposed production was not good enough for the government? If you could elaborate on that.

I listened to the executive director who is in charge of e-cell development, his remarks but I have a couple of questions. First, is this you have invested in a facility to assemble battery packs and manufacture lithium cells, so what is the current status? How many battery packs are being assembled per month? What is the capacity? Have you started to manufacture lithium cells? If you could just give us some flavor on where we exactly stand on this? Similarly, you have a customer qualification plant you have set up. So, when is this expected to be commissioned and finally, what is the timeframe for commissioning the gigafactory of 10 to 12 gigawatts that you have talked about? One more question is could you just give us a brief update on the status of the litigation regarding the pollution control board because the annual report is silent on that? I mean, pursuant to the state which the AP High Court gave, have there been any further developments in the matter? That is all. Thank you for the opportunity and the time. Thank you.

**Moderator:**

Thank you. I now invite our next speaker, shareholder, Mr. Santosh Kumar Saraf to unmute his audio and video and pose his questions.

**Santosh Kumar Saraf:**

Respected Chairman, and other members and my fellow shareholders who are present through this video conference. I am Santhosh Kumar Saraf speaking from Calcutta. My greetings to all of you. I hope all the Directors and all officers; all employees and shareholders all be in best of their health and safe. Sir I would like to thank management team for giving such a good dividend. You have given good dividend, no words to say on this. Your performance has been excellent, there is nothing to say. I want to have some small questions to ask. I want to ask about these e-vehicle. Can you please take efforts to tell what steps you have taken in this regard because now there is lot of demand and future of e-vehicle? So, please tell me what steps you have taken and the ones who are making batteries what is the market share we are having in it, please tell. Sir I would like to know what is your policy you have adopted to dispose e-wastage and how you dispose and also please tell me the steps taken for rain water harvesting and also the steps taken for single use plastic. There is ban on single use plastic from July 1, 2022, and most of our products were packed in single use plastics packing used to be and the bottle which we use in officers. that also comes in single-used category what we have done regarding this. Sir all the employee which we have 9911 employees please cover medical benefit for them. Please tell how much health covered as the extension of fraternity benefit or maternity benefits, how many employees are covered in it. Regarding booster dose, I would like to ask as booster dose is provided for free. What you can say on this. I have recovered from COVID few days back. I am safe because I have taken all three doses. I would like to ask all the officials who are listening to me that they should positively take the booster dose because of which you will feel Safe.

The next thing is sir, we have very less female employees. Out of 9911 total employees there are only 411 female employees. I request you to please take efforts to tell me what steps you are taking to reduce this ratio. I request you to please increase female employee as our President is female, our finance minister is female. If you see in commonwealth, females are performing good and getting gold medal

and silver medal for India. I want you should at least please think on it and see what happens. I will not take much time of yours, this video conference meeting is very good. I do not know what will happen next year whether it will be physical or video conference meeting. I humbly request you to video conference meeting instead of physical meeting so that we can put forth our feelings in front of you and communicate with you.

Without taking much of your time, I also pray to God for all employees, officials and all the people who are present for their good health and that let this 2021 be healthy, wealthy, and safe for all. I conclude with this. Jai Hind, Jai Bharat.

**Moderator:** Thank you. I will now invite our next speaker, shareholder, Bharatraj to unmute yourself and proceed with your queries.

**Bharatraj Kankala:** Yeah, very good afternoon, Mr. Chairman. I'm Bharatraj calling from Hyderabad. So, first of all, first of all, like to congratulate the Chairman, we have completed a \$1 billion revenue. Sir, I congratulate you and our board of directors. I am very proud of you under your leadership. Sir, I thank the management for dividend sir. But if you compare with the last few years our dividend payout is more sir, but may know why this is this year the dividend rate has come down sir, because 17% you are declared the net profits or at least you take care of minimum 25% to be given as a dividend percentage sir. I warm welcome our executive directors Mr. Harshavardhana and Mr. Vikram. Congratulation entering the board. All the best for the coming years. We as a shareholder always support you, under your leadership definitely my Company will progress and we see the very good heights in the coming years. CSR is wonderful, sir. I am very proud of CSR sir. There are no issues in the CSR sir. Sir, one thing I bring to the notice to Mr. Vikas, there is no Board of Directors photos in the annual report. See that the same is provided.

Sir few questions to our Vikram ED who is looking at our New Energy business. Mr. Vikram, you are starting the Gigaplant. I am very proud. So, when can we expect this into the progress and when can we see the production out? See our competent Ola by Ola two-wheeler are planning to start the battery manufacturing also, have you taken this as a challenge in coming years. There are a lot of companies in India are planning to start the battery charging cell in either case. So, how you take this as a challenge Mr. Vikram please let me know. Mr. Chairman, any future plans centering to the China market for production? Because China is the number one in battery production and we know you need future plans to go into the China market? Sir I am very proud, we received so many awards Six Sigma Award and the bus World Best Year Employer under the leadership of Chairman. I am very happy and thank your sir for receiving more awards. Sir in page number 245 please let me know the breakup of legal and personal expenses and miscellaneous expenses, please let me know the breakup sir. Sir, once again, sir we also support Mr. Chairman, under his leadership very proud. Very soon, we will reach a \$2 billion Company and entire board of directors all the best, Mr. Vikram and Harsha thank you and all the best in coming years. We know you are the gem of our Company, under the leadership of chairman definitely you will make our Company into next levels, next height and I thank company secretary department, very humbled peoples, very accessible into 24 x 7. Once again, thank you very much. God bless you all. All the best in coming years. Take care sir.

**Moderator:** Thank you. I now invite our next speaker shareholder, Mr. Kamal Kishore Jhavar connected us through audio. May we request you to please unmute yourself and proceed ahead with your questions.

**Kamal Kishore:** Chairman sir, all directors, and the secretarial department, thanks to all. I have been shareholder in this Company from last 25 years. Galla sir I met you many times face to face. You have made a good progress of the Company and given a good return to the shareholder. I really appreciate your hard work which is always there. I will not say anything about ups and downs of market. There is a huge demand of electric vehicles sir. In India only Amara Raja Battery is material for battery purpose, south and everywhere and for electronic vehicle also ours should be number one Company and we are fully confident that you will work on that. if we get more turnover for two wheelers four wheeler and business growth from Company brand then there will be great benefit to all. Do not want to say more you have given good dividend.

Our secretary department Mr. Vikasji have given dividend. We cannot come and go so far but we get dividend at time. I thank all the Secretary department and my Diwali and Duster wishes to you and every time we attend from Delhi and now we can attend video conferencing from anywhere from abroad, India from where ever people want to hear you also get new idea from different people so please keep video conferencing and please talk to our sir Suresh Chand ji.

**Suresh Chand Jain:** Respected Chairman sir, all present Directors, and shareholders. Sir my name is Suresh Chand Jain. I am in this Company we have taken same shares together. I am in this Company from 25 years. I and Kamalji visited and what we have seen your Company as very beautiful and clean premises. Sir now the August 15, which is coming, the flag of Tirupati, which you hosted. This is 75th year of Independence why not we host our national flag in Tirupati. I do not ask much about Company it is running very good. We are also benefitted with being this Company. I with all my companions, my family, thank you sir.

**Moderator:** I now invite our next speaker shareholder Mr. Srikant Jawar connected us through audio. May we request you to please unmute yourself and proceed ahead with your questions

**Srikant Jawar:** Thank you to all respected Chairman, Board of Directors. Please keep such video conference always so that we can get chance to attend the meeting from anywhere. Like our chairman sir attend from Delhi and our other directors can attend from anywhere. First question sir please inform about Russia, Ukraine war and second sir as there is increase demand for electric vehicle. Is our Company planning for e-vehicle station like service point If we get any demand from other vehicles, there are to get growth in revenue and sir as there are strict rules applied for plastic. Can you please inform about the plastic use in our Company? I would like to thank the secretarial department who gives us information for anything whatever happens. I would like to thank for the registration. Thank you for Diwali, Dussehra and Happy Independence Day. Thank you.

**Moderator:** Thank you. Ladies and gentlemen, this was the last question. I will now hand over the conference to Mr. Vikas.

**Vikas Sabharwal:** Over to you Jay, Chairman over to you.

**Jayadev Galla:** Thank you Vikas before I take up the questions that have been asked live the during the proceedings today, let me first take up a couple of questions which we received in writing by mail from a number of members, then I will come to the questions that were brought up today.

One of the questions many of our shareholders had, which we received by email was about the post COVID business scenario and opportunities. COVID has brought unprecedented humanitarian challenge, your Company have taken of this as a

challenge and as an ongoing, ever-changing challenge as well. We swiftly acted to safeguard employees and to migrate to a new way of working modes and culture that even the most extreme business continuity plans would not have envisioned. Across factories locations, our leaders and CFT teams have enabled this large scale Work from Home experiment to reimagine how work is done, and what role officers should play in creative and bold ways, redesigning the workplace to support organizational priorities and the footprint. We are proud to say that 100% of our employees are vaccinated at the cost of the Company.

Next set of questions were on the Corporate Social Responsibility activities. I think a few of the speakers today also were congratulating us on our CSR activities. Thank you for that. Amara Raja is rooted in strengthening its bond with communities. Amara Raja takes its commitment to the community very seriously. A bouquet of initiatives is offered to mainly the underprivileged sections of the community, residing in the vicinity of the Company's operational domain. Our core mantra is social upliftment of the underprivileged by pushing them towards economic independence and empowering their lives with education and health care. Amara Raja spends the CSR funds through the in-house Rajanna Trust, which among other things is involved in a range of education and skill development initiatives. Through the Amara Raja Skill Development Center, we have trained 1098 students, including 266 women, free of cost to become specialized in working in industries in FY22 alone. These students are put through a multi skilled technician course that is fully funded by the trust and equips them with the technical skills necessary to become highly sought-after workers in the manufacturing sector. The students are mostly from economically disadvantaged families who would not be able to afford such training under normal circumstances. In addition to this, the students are paid a stipend during them on the job training portion of their course. Currently, the Amara Raja Education Society runs three schools, which are qualified under the CBSE curriculum with a total strength of around 4462 students. The goal of the schools is to mold students into well rounded youths who can take over as tomorrow's leaders.

Now, let me come to the specific questions that were brought up today. Mr. Praful Chavda thank you very much sir, for your interest and your appreciation of our presentation of the annual report and you asked a question about electric two-wheeler and four wheelers, whether we would be thinking about entering into it? Well, we are certainly planning to get into the battery components business, which would be going into the electric two-wheeler and three-wheeler, but after evaluating quite extensively on whether we should get into the manufacturing of the vehicle itself and come to the conclusion that, Amara Raja is better off remaining as a battery manufacturer and battery supplier rather than getting into the vehicle manufacturing. Several reasons that we decided to do this. One is, we do not want to compete with our customers. I think if we compete with our customers, it will be more challenging to hold on to strategic relationships going forward with these customers. So, we felt we would rather be supplying to all the manufacturers, rather than having that burden working against us. Secondly, unlike the IC engine vehicles, the entry barrier for electric vehicles is far lower the scale of manufacturing does not need to be as large to remain competitive and in such a scenario, there is a large number of companies who are entering into both two wheeler, three wheeler, especially and even into four wheeler and commercial vehicles and as such, we feel that eventually there is going to be quite a shakeup in this market and we would rather be observing that shake up and then making our decisions whether to enter into that area later on rather than upfront. So, these are the strategic reasons we decided to focus on battery rather than on the vehicle itself. Also, you were asking about sodium battery over lithium battery. I think I will let Vikram take that question before coming to the next question.

**Vikramadithya Gourineni:** I think it is a good question. I think there has been a lot of talk about sodium batteries that they offer some definite advantages over lithium, I think namely in the raw material pricing, because sodium being much more readily accessible as well as much cheaper than lithium. But I think it is a little too soon to kind of label sodium ion as a direct replacement to lithium ion, especially where it falls a little bit short in certain performance characteristics, such as energy density, we are seeing a lot of players who are having a little bit of a trouble matching the kind of cycle life that lithium can offer. With that said, I think it may be a little bit premature to talk about sodium in a mobility application. But sodium I think has a definite promise and should be explored in the future for a lot of stationary applications, where size and energy density are not quite as important.

**Jayadev Galla:** Thank you, Vikram. Mr. Chavda also is encouraging us to cross 10,000 crores turnover market as soon as possible and we are as eager as you are, sir. We are working towards that and finally he suggested if the Company can give a token prize to Commonwealth game winners, definitely we look at that suggestion. But basically, we have a very focused CSR activity centered around health, education, and the environmental conservation and we have been putting all of our efforts into those areas, but we will certainly take the suggestion and look at it.

The next set of questions are from Mr. Mr. Dipankar Purkayastha. I am sorry if I am mispronouncing your name sir. The first question was about lead acid batteries and what is their role going to be in the era of EVs? It is a very good question and I think that to understand this, the electric vehicle has a high voltage system, which works as the powertrain basically, of the vehicle and it also has to have a low voltage system to power the electronics and other gadgets that are installed and in especially electric vehicles, there is a large number of electronics much more than in a normal vehicle. With autonomous driving and other types of technologies coming in, that is only going to increase the requirements for the low voltage system. So, right now, for the time being all the low voltage requirements in every electric vehicle that is sold anywhere in the world is being powered by a lead acid battery. In some cases, it is the standard lead acid battery. In some cases, it is the AGM VRLA Technology Battery, which we are already introducing in our lineup. So, we are quite well prepared to meet the demands of the low voltage system and you also made a comment that success would be judged on the basis of EV batteries. Well, I would both agree and disagree with this statement and I will explain why. One is, we have definitely decided and committed ourselves to entering into the EV battery space. So, certainly for our Company, our success is going to be judged on how well we perform in that area and how successful we are. But on the other hand, while these two businesses are very different from each other, there are certain synergies, especially in dealing with the same OEMs, who we have long relationships with and being part of this industry, we understand the applications and challenges that any vehicle technology would have to face. So, we are better prepared from that point of view. But otherwise, it's a very different manufacturing process. It's a very different technology and very different materials that are being used. So, if a Company was restricting themselves only to the starter battery or the low voltage battery, I would rather say in the vehicle and also to lead acid batteries in the industrial applications. That market is a much smaller market compared to the EV Market and worldwide if you look at it, the companies that are catering to lithium ion and to the EV market are different from the companies that are supplying the low voltage system. In India, the two leading manufacturers of lead acid batteries including ourselves and our major competitor are both entering into lithium ion. This is very different from what is happening in other parts of the world. Whether you are looking at China or Europe or the United States that does not happen to be the case, but we in India are finding a unique situation where the two largest manufacturers of lead acid batteries are equally keen on entering into lithium

ion businesses. So, I think these are two different business segments and they will have to be judged differently from that point of view.

The next is on the PLI scheme. Now, the PLI scheme was something that we did look at and you are right, we did participate in it. But if you look at, we looked at the PLI scheme in terms of what are the benefits of the scheme and what are the penalties if we do not meet the commitments that we make in our application and we found that there was a very high risk in terms of the penalties becoming greater than the benefits in the way that the scheme was framed. So, we did not quote overly aggressively. In that sense, we felt that anybody who is more aggressive than the bid that we put in would certainly be putting themselves at risk. Time will tell whether our judgment was right or wrong, and we also believe that we can be competitive and we can succeed in this field even without the PLA scheme. So, not being selected for the PLI scheme is not deterring us and is not slowing us down in terms of our entering into the EV battery space.

The next question was on our investing into the facility for assembling battery packs. Vikram or Vijayanand, would you like to take that question on what is our current status on battery pack assembly?

**Vikramadithya Gourineni:** Sure. I think that question came from Mr. Dipankar. I think he was specifically asking how many packs per month and what is our current run rate? I think that's a little bit complex question to answer because it depends, which packs we are making. Obviously larger capacity packs kind of measure in terms of the megawatt hour that we are able to put out. Right now, we are kind of at a monthly run rate of 15-megawatt hour per month, which puts us at an annual run rate of 200MVH, the team is currently expanding this current facility to about 500-megawatt hour, which should be done in the coming months and as move for the Gigafactory setup, which I will speak about when I answer the questions.

**Jayadev Galla:** The next two questions also are about customer qualification for the plants, and also the timeframe for the Gigafactory.

**Vikramadithya Gourineni:** Sure, maybe I will just take up a couple of questions in rapid succession. While Jay already touched on the ACC PLI scheme, I think I just wanted to reiterate that there are three kinds of parameters that were looked at in terms of the PLI, it was the total capacity that players are willing to bid, with the minimum being five-gigawatt hour up to 20 gigawatt hour. The technology, which was a matrix between cycle life and energy density as well as finally, what is the subsidy per kilowatt hour that we were asking for and we took a very balanced approach in terms of the risk and reward. Like Jay already said, I think it is important to keep in mind that the PLI scheme is covering about 50-gigawatt hour and the total India demand by 2030 is expected to be significantly higher than that. So, there will be life outside of the PLI.

In addition to that, I think there are some questions about what is our path in terms of scaling up the cell facility. Today, we run an R&D pilot scale, facility in Tirupati. This is not something that we use to kind of commercially supply cells. It is mostly for R&D and development activities, in which we make a number of different cells and chemistries, While the CQP would be a commercial line set up. It is still meant to be more of an offshoot of R&D and development activity, but we would be able to start supplying cells commercially. We will be getting started with construction later this year and we are hoping that we can kind of roll out from FY24 onwards and depending on the kind of comfort we have with the technology that we are able to kind of develop alongside that, the tentative date we have for Gigafactory to start getting off the ground, FY26, we would be expecting the production to start in a giga factory.

Just a couple of other things that people had asked. I think there were some questions talking about charging. Currently, we made good strides in terms of charger, we are currently selling to two of the top three-wheeler OEMs in the country. I am hoping to penetrate a couple of other accounts in two-wheeler and three-wheeler space in the coming months. But we are actively working on expanding the range and value addition, as well as we are kind of experimenting with different models. We were one of the first in the country to work with swapping models and we set up multiple swapping stations in Tirupati for the e-autos, they are plying on the roads, but we are hoping that we can have a more robust offering in that as well.

There was a question on lithium raw materials, and what is Amara Raja strategy in terms of getting access to that? Well, definitely, we need to establish reliable sources, I think there are a couple of other things that are quite important that not just Amara Raja, but other companies are doing as well and one of the things is choosing chemistries that are less dependent on some of the more price volatile and supply volatile parts of the lithium ecosystem such as cobalt and nickel. Most of the companies right now are working with the nickel based chemistry, are working on removing cobalt altogether increasing manganese.

Our strategy is to be less dependent on the types of metals that would be, leading to the most volatility. There was a question on e-waste disposal, recycling will also come into the forefront to make sure that over the long term, we can reduce the dependence on imports into the country and keep recycling and keeping a circular ecosystem within the country itself.

The last question, I believe that was addressed on the lithium side was on the e-vehicle fires. Of course, we have seen especially in the two-wheeler segment a spate of fires during the summer months this year in India, I think it is important to keep in mind that though usually there is a lot of other systems that fail before the battery, because the battery is yielding so much energy. That is the part that it goes up in flames spectacularly and therefore the battery is generally blamed. I think there is two-part solution, where both are equally important. I think first at the OEM level itself, the QA and QC processes have to be vastly improved, making sure that we are getting the right type of integration and quality processes and systems, but also from the point of view of a battery manufacturer like ourselves, I think, how to make more robust packs, and the most important components and this would be both the BMS being able to detect any sort of thermal events before be able to detect the temperatures before they are getting out of hand, and leading to thermal runaway as well as more effective cooling strategies and thermal packaging and it could be as advanced as immersion cooling with liquid or it can just be better pack design overall, in terms of making sure you're releasing the heat, before any sort of thermal runaway event can take place. I hand it back to the Chairman.

**Jayadev Galla:**

Thank you Vikram. I think that you have taken a few questions from the other ones also. So, we should be able to get through those quickly. The final question from Mr. Dipankar was on the PCB status. Since the matter is sub-judice and in the court, there is very little I can say about it except that the current status is that we are currently operating all our plants. We did receive closure orders from the AP pollution control board for our plants in Karakambadi and in Chittoor. The stay obtained by the High Court of Andhra Pradesh has been extended from time to time and all our plants are fully operational. We are very confident about our Company's commitment to the environment and to the people's health and safety and we believe that we should be able to get through the case with the right and positive outcome.

Next, Mr. Santosh Kumar Saraf has thanked us for giving a dividends and good performance and he has asked about what steps we have taken on the EV vehicles

which I think we have already answered. He also asked about the battery waste disposal policy and the steps to stop single use plastic. Harsha would you like to take those two questions?

**Harshavardhana G.:** Thank you Chairman. See, in Amara Raja, we recently incorporated Amara Raja Circular solutions, which is a wholly owned subsidiary of the Company. This is to expand the business into the recycling of batteries and other aligned activities like processing all kinds of nonferrous metals and all types of plastics. So, I think one thing that is known throughout the world is lead acid batteries are actually one of the most recycled products both in frequency and recyclability. Here in India, we have been lagging a bit as a nation and truly realizing the circular economy. So, we are taking steps to make sure that number one we are collecting more than 35-40% of the batteries that have been sold in previous years and taking that collection rate up to 90% over the next three to four years. The BW Amara rules are also requesting the same and we have been ahead of the requirement up till now and as far as single use plastic, our battery components did not fall under that category. However, we will be recycling plastic as well as part of our circular efforts. Thank you, chairman.

**Jayadev Galla:** Thank you Harsha. There was also a question what are the medical benefits, insurance and maternity benefits to the employees and what is our policy as far as booster dose is concerned? Narasimhulu, would you like to take that question?

**C. Narasimhulu Naidu:** As far as a booster dose is concerned, we have been creating the required awareness through our shop floors, and people are voluntarily taking. We are also monitoring that booster dose percentage. So, we are also closely monitoring the number of cases. Of late, there is not even a single case in the last three months in our shop floors because of the proactive measures we have taken in the first and second dose.

**Jayadev Galla:** Right, as far as the question on the medical benefits than medical insurance, we have a medical insurance policy which we provide to the all the employees in the group and we have actually extended the benefits further during this COVID period. We have prioritized that above other requirements and we moved up the level of coverage and provide special coverage for anybody who contracts COVID. As far as maternity benefits are concerned, I think we will have to get back to you on that. I do not have that information directly available with me, but we will get back to you with that.

Mr. Bharat Raj was the next person who was asking some questions. His first question was why the dividend payout was less this year compared to last year and I would only like to say that last couple of years were actually special case, wherein we have paid more dividend in terms of percentage to our profit. The Company has a dividend policy, to pay dividend upto 30% of its PAT, which we have been following now for quite a long time. We are looking at quite a bit of investments in coming years, therefore we need to conserve the cash. With all the uncertainty around COVID and Ukraine and all of that, we felt that we need to conserve the cash carefully. Both because from those risks that we are facing and unknown risks that may be coming up, as well as the significant investment plans that we have going forward both in the lithium ion Gigafactory as well as expanding into international markets in that asset. There was a comment that there is no picture of board of directors in the annual report. I think, also because of COVID we have not been able to meet in person for quite some time now and hopefully we will be able to do that soon and from next year onwards, we will have to ensure that the Board of Directors photographs are also included. So, thank you for that suggestion.

**Vikramadithya Gourineni:** Chairman, if I may interrupt, I apologize. I just wanted to kind of clarify that as far as insurance is concerned, it's 36 times gross and maternity leave we follow as per statutes. As regards the life insurance policy, it is again at 36 months' gross salary.

**Jayadev Galla:** Okay. Thank you for that clarification, Vikram. There was also a question on what our plans are to enter the China market and I can safely say that we are not entering the China market and we do not have plans for that also, because, China is the being a market that is highly competitive and highly protected as well by the government and we may be looking at working with China in other ways collaborating, perhaps, but not competing directly. I do not think that that would be the best use of our resources and our efforts in terms of looking for results that come out of them and that is the reason why we are not looking at China at the moment. There was a question on page 245 breakup of expenses. Delli would you care to answer that?

**Y Delli Babu:** Surely, the explanation was required on the legal and professional expenses. These are expenses incurred for some of the consultancy charges that we have taken us as part of implementing our strategic initiatives, as announced earlier and the second one was about breakup of miscellaneous expenses. These include some of the upkeep and maintenance expense, and some of the incentives that we pay for our sales channels, and other petty expenses. That's about it. Thank you,

**Jayadev Galla:** Mr. Kamal Kishore Jhawar has made some very good comments and thank you sir for your compliments. Mr. Srikant Jhawar was asking about the effects on our business due to the Russia Ukraine war? I would say that, certainly, the whole world has been affected in different ways, especially when we look at the inflation that is happening all over the world. Certainly the Russia Ukraine war is partly to blame for that. The high cost of the natural resources, oil, natural gas, even wheat and other food that Russia and Ukraine have been exporting largely around the world has impacted the global economy and India is not immune to that. Plus, with the COVID effect in China and their zero COVID policy, shutting down factories and shutting down ports, has also created a lot of challenges in the supply chain, for getting materials on time and at the right prices. So, we are experiencing high costs at the moment, if you see our profitability has come down. This has also both COVID impact as well as the Russia Ukraine impact are certainly affecting that, but we expect that this will start to normalize soon and we should be able to recover our earlier performance in that respect. I think that is all the questions that we received and thank you for your interest and thank you for the questions.

**Vikas Sabharwal:** Thank you Chairman and the Executive Director and also the Senior Management personnel of the Company for answering all the questions. So, with this, we conclude the Q&A session over to Chairman for giving the conclusion remarks.

**Jayadev Galla:** Thank you, Vikas. I would like to take this opportunity to extend my gratitude to the attendees for participating in this meeting via videoconference. I would also like to extend my gratitude to the members as well as to the rest of the team for their contributions to the accomplishments of this AGM. I would like to thank each of my fellow board members as well. I would like to remind those eligible members that they will have the opportunity to vote electronically for an additional 15 minutes after the conclusion of the meeting. The Company secretary Mr. Vikas Sabharwal has been given author has been given authorization to receive the scrutinizer report and make the announcements regarding the results. I now declare the meeting has concluded. With your consent, I and other board members and senior management team would like to leave the meeting and request all the members to stay safe and healthy and in advance wishing you all a very Happy Indian Independence Day. In the 75th year of independence. Let me add.

\*\*\*\*\*