

Amara Raja Batteries Limited

Transcript of the 36th Annual General Meeting held virtually via VC/OVAM on

August 14, 2021

03:00 P.M.IST to 04:55 P.M. IST

Participants of the Company:

Dr. Ramachandra N Galla

Chairman

Mr. Jayadev Galla

Vice Chairman & Managing Director, CEO

Mr. Harshavardhana Gourineni

Executive Director

Mr. Vikramadithya Gourineni

Executive Director

Mr. N Sri Vishnu Raju

Independent Director and Chairman of Audit Committee, Nomination and Remuneration Committee and Risk Management Committee

Mr. T.R. Narayanaswamy

Independent Director and Chairman of Stakeholders Relationship Committee

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, statutory auditors, secretarial auditors and Shareholders

Moderator: Dear shareholders, good afternoon and a warm welcome to 36th Annual General Meeting of Amara Raja Batteries Limited through video conferencing or other audio-visual facility. As a reminder, for the smooth conduct of the meeting, the members will be in mute mode and audio and video will be opened when they will speak at the AGM as per the pre-registration. I now hand over the proceedings to the Chairman.

Ramachandra N. Galla: Ladies and gentlemen, good afternoon. I hope you and all your family members are safe and good health. I have great pleasure in welcoming you all at the 36th Annual General Body Meeting. In view of the continuing COVID-19 pandemic, the consequent restrictions as well as the requirements like social distancing, this meeting is being held through video conference in accordance with the circulars issued by Ministry of Corporate Affairs and SEBI.

Before we start the main proceedings at the meeting, let me introduce the Directors, the Key Managerial Personnel ;

Mr. Jayadev Galla.

Jayadev Galla: Good afternoon dear shareholders. I am Jayadev Galla - Vice Chairman and Managing Director, joining the 36th annual general meeting through video conference.

Ramachandra N. Galla: Mr. Sri Vishnu Raju.

N. Vishnu Raju: Good afternoon shareholders, I am N. Sri Vishnu Raju - Independent Director and Chairman of Audit Committee, Nomination and Remuneration Committee and Risk Management Committee, joining the meeting through video conference from the registered office of the Company at Tirupati.

Ramachandra N. Galla: Mr. T R Narayanaswamy.

T R Narayanaswamy: Good afternoon, I am T R Narayanaswamy - Independent Director, joining the meeting through video conference from the registered office of the Company at Tirupati.

Ramachandra N. Galla: Mrs. Bhairavi Tushar Jani.

Bhairavi Tushar Jani: Good afternoon, my name is Bharavi Jani and I am joining the AGM through video conference from Uttarakhand. Thank you.

Ramachandra N. Galla: Mr. Annush Ramasamy.

Annush Ramasamy: Good afternoon, I am Annush Ramasamy, joining the AGM through video conference from the Company's registered office at Tirupati.

Ramachandra N. Galla: Mr. Harshavardhana Gourineni.

Harshavardhana. Gourineni: Good afternoon, I am Harshavardhana Gourineni - Executive Director. I am joining the AGM through video conference in our registered office in Tirupati.

Ramachandra N. Galla: Mr. Vikramadithya Gourineni.

Vikramadithya Gourineni: Good afternoon. My name is Vikram Gourineni - Executive Director, joining this conference from our registered office in Tirupati.

Ramachandra N. Galla: Mr. Vijayanand S.

S. Vijayanand: Good afternoon. I am Vijayanand - President, New Energy. I am joining this meeting through video conference from the registered office of the Company, Tirupati.

Ramachandra N. Galla: Y Delli Babu.

Y Delli Babu: Good afternoon, I am Delli Babu - CFO, joining the meeting through video conference from our office.

Ramachandra N. Galla: Mr. C. Narasimhulu Naidu.

C. Narasimhulu Naidu: Good afternoon, I am Narasimhulu - Chief Operations Officer, joining the meeting through video conference from the registered office of the Company.

Ramachandra N. Galla: Mr. Vikas Sabharwal.

Vikas Sabharwal: Good afternoon, I am Vikas Sabharwal, I am the Company Secretary of Amara Raja Batteries Limited, joining the meeting through video conference from the registered office at Tirupati.

Ramachandra N. Galla: Thank you all. I would like to inform you that the entire senior management team has joined this meeting from their respective locations. Also, the partners of Brahmayya & Company and Deloitte, the Statutory Auditors and R. Sridharan, Secretarial Auditor also have joined the meeting from their respective locations. We have the quorum present through video conference to conduct this meeting. The requisite quorum members are being present. I now call the meeting to order and commence the meeting. Now, I request Mr. Vikas Sabharwal, the Company Secretary to give the general instructions to the members regarding the participation of this meeting. Mr. Sabharwal.

Vikas Sabharwal: Thank you Chairman. Good afternoon. The Company has taken all required measures and put its best efforts under the current circumstances to enable the members participate in this AGM through video conference or other audio-visual means in accordance with and in compliance of the provisions of the Company's Act 2013 and circulars issued by the Ministry of Corporate Affairs and SEBI. I would like to inform the members that Register of directors, key managerial personnel and their shareholding,

the Register of contracts in which directors are interested and other documents required for inspection by the members under the act are electronically available for inspection. Members who intent to inspect may write to investorservices@amararaja.com. As this AGM is being held through video conferencing or other audio-visual means, the facility for appointment of proxies by the member is not applicable.

The following is the schedule for today's meeting. After I conclude general instructions, the Chairman will deliver his speech followed by speech from Mr. Jayadev Galla - Vice-Chairman and Managing Director. Then the Chairman will further conduct the proceedings of the AGM followed by Q&A session. In the Q&A session, those members who had registered as speaker shareholders for the AGM will be invited to raise their questions/queries. The e-voting facility will be activated during the meeting and the members who have not cast their votes will have an opportunity to exercise their votes.

Considering the time of all those attending the meeting, members who are registered as speaker shareholders are requested to be brief and restrict their address to matters relevant to the business contained in the notice of the AGM and to finish the interaction in a couple of minutes. After the questions or queries are raised by the members, Mr. Jayadev Galla or other Key Managerial Personnel will answer the questions at the end of the Q&A session. After the questions have been answered, the meeting will conclude and the e-voting facility would remain active for 15 minutes after the AGM is concluded. I now request the Chairman to address the members.

Ramachandra N. Galla: Dear shareholders, good morning and warm welcome to all of you to the 36th Annual General Body Meeting of your Company. It is always a pleasure for me to be engaging with you, our valued shareholders. The feeling at this moment is one of the immense happiness as this is the last time, I will be addressing you as the Chairman of Amara Raja Batteries Limited. Happiness, because I feel I have done my job rather satisfactorily. I am leaving behind legacy that will last for generations, yours and mine. In my 36 years' tenure, I actively involved in operations in continuously building our wealth through the building of the facilities, design and development and manufacturing of the products, promoting the markets across the country and outside the country also.

Initially, we invested 6 crores to set up the first facility to manufacture industrial batteries. At present, we have 10 manufacturing plants across two locations, Karakambadi, Amara Raja Growth Corridor in Chittoor. These are world class facilities following the international standards using the state-of-art technology. All the plants provide the comfort and safety for employees. Initial investment, 6 crores in the plant and machinery has grown to 6000 crores today. Industrial batteries initially, we started the small plant, producing 60 million AH per year in 1990. At present time, in the plant at Karakambadi and Chittoor, we produce 2500 million AH per year.



In the automotive four-wheeler application, we started 0.2 million batteries per year in 2000, at present, 3 plants in two locations with the cumulative capacity of 20 million batteries per year. For the two-wheeler applications, we started with initial capacity of 2 million batteries per year in 2008 and this has grown rapidly with a cumulative capacity of 25 million batteries at present. Apart from that, we manufactured tubular batteries for backup solutions for home inverters and for residential roof mounted solar systems with a capacity of 25 million batteries per year. During this long and eventual journey of 36 years of your Company, I have introduced many firsts in technology and products to the Indian market.

We are the first to introduce VRLA batteries in India in 1990, a complete maintenance free, ready-to-use battery technology. The new age VRLA technology products have brought in to transform the whole process of battery selection, procurement, installation, maintenance, practice in the battery industry. This transformation has enabled telecom industry to provide reliable backup power solutions in the width and breadth as the nation witnessed the explosion of mobile telephony and establishment of pan Indian telecom networks.

Similarly, we introduced the VRLA technology for the first time in Indian railways as an alternative to the flooded lead-acid batteries. That was the user for many years. With the help of the advanced VRLA battery technology, the combination of the custom designed for inverter products, we have first introduced in mid 90s to Indian railways. We have introduced the three tier AC coach that made compatible with range accessible to more people in India. It was the year 2000, we introduced AMARON branded automotive batteries, India's first factory-charged maintenance free ready-to-fit automotive batteries. AMARON has once again set benchmark in Indian battery industry making it is possible to disturb the way batteries could distribute and serve the consumers through unconventional channels, increasing the distribution footprint manifold through the retail chains.

Again, in 2008, we introduced another first to the market, our AGM two-wheeler batteries, a challenge to the conventional thinking. Soon, it became the gold standard for Indian two-wheeler automotive battery. Today, 100% two-wheeler batteries showed in this country are AGM technology. Our last innovation to introduce is Advanced Stamp Grid making technology for both two-wheelers and four-wheelers. That is another first in the market, making high quality batteries, using the highly automated high-speed precision engineering environmentally friendly process technology.

All our manufacturing plants are located in rural areas to provide nonmigratory jobs for the youth in rural villages in accordance with our core purpose. We started with 22 people in 1986 and at present, we have more than 18000 direct employments in our payroll. We are very committed towards the environmental production, we planted 1.5 lakh trees in all our plant location. We also committed to safeguard the health of the



employees. For this, we invested about 120 crores in environmental management system with the operation cost of 10 crores per year.

Having said that, I must mention that I will be busier than before because I will be pursuing my passion as serving the society. I will be working closely with Rajanna Trust in driving our group outreach efforts. I am sure you must be delighted to note that your Company has reported stellar performance despite the headwinds that prevailed during the 1st April of the fiscal year. Let us together congratulate the Management team led by the Vice-Chairman and Managing Director, Jayadev Galla for his exceptional efforts.

Going forward, I am very excited about your Company's prospects. The Company leadership team has drawn the contours of the exciting journey themed energy and mobility. This strategic approach combines the conventional, contemporary is objective of dominance in Indian and maintaining the relevance across the globe. On the one hand, the team will sharpen the focus on maximizing value of the space while on the other thing, they could channelize their energy on creating the new prospects, leveraging new age technologies and chemistries, lithium being primary area of focus. I take this opportunity to convey my good wishes to all my colleagues and the board, the leadership team and the entire Amara Raja Team, they embarked this new thriving journey.

Before I close, I would like to thank the employees for the exemplary dedication in honoring the customer commitment to all the stakeholders in the face of daunting the challenges time and again. I would like to place on record, my sincere thanks to our customers, the central and state governments, the suppliers, the bankers who have supported the Company in this journey this far.

I would also like to take this opportunity to thank all the shareholders for their continued and wholehearted support for our initiatives. Last but not the least, I would like to express my gratitude, my colleagues on the board for contributing to the progress of the Company and extending their full cooperation in the discharging my functions as the Chairman of the Board. Thank you, ladies and gentlemen.

Now, I request Jayadev Galla, Vice Chairman, Managing Director and CEO to address the members.

Jayadev Galla:

My dear shareholders, good afternoon. It is a pleasure to welcome you all to the 36th Annual General Meeting of Amara Raja Batteries Limited. We meet virtually for the second time in a row at a time when the world is still grappling with the fatal of the COVID-19 outbreak. Despite all these challenges, the hard work of our employees and the unrelenting faith of investors have enabled your Company to complete yet another successful year. My heartfelt condolences to our employees and stakeholders who

have lost their near and dear ones. I reassure you about our continuous commitment to your health, safety, prosperity and wellbeing.

I take this opportunity to walk you through the new strategic initiatives of the Company. As change is the only constant in life, this pandemic gave us an opportunity to think about the next transformative approach that will shape our future in the long term. After intense deliberations and keeping with the model of that would be a better way, the management has finalized the strategy that will be focused on investments in new green technologies and maximizing value from the Lead Acid Battery Business. Your Company is also undergoing a generational change across the enterprise right from the top leadership to the operatives on the shop floor. Taken together, these initiatives will lead us into a brighter future driven by innovative products, digital technology, sustainability and more value for our stakeholders.

Fiscal 2020-2021 was an exciting year as we kept making good progress despite the economic hardship. We adopted a nimble-footed approach during the pandemic, but the stress for us was relatively less due to the deleveraged position and abundant cash reserve. We utilized the liquidity pool to ensure timely payment to all our employees, vendors and other business partners. Your Company's standalone revenue from operations grew by 5% from 6839.46 crores last year to 7149.68 crores this year. The net profit for the year was 646.81 crores as against 660.82 crores in the previous year. For financial year 2021, your Company generated an EBITDA margin of 16.52% and a net margin of 9.05%. The Company had a robust balance sheet with very low debt to equity ratio of 0.01%. CAPEX during FY21 was at 948 crores while the cash in bank balance along with liquid investments as at the end of FY21 was 449.23 crores.

Employee welfare and innovation are embedded in our DNA and rightly so, your Company's constant efforts on this front were recognized by various national and international forums. Your Company was recognized and featured in Forbes, World's Best Employer List for the year 2020. Our initiatives for building HRM capabilities received another recognition when it was listed as a case study by the Harvard Business School Publishing. This was earlier developed by Indian Institute of Management in Ahmedabad as well. Our digital initiatives were recognized by IDC DX, who conferred the Company with the prestigious title of 2020 Talent Accelerator for India. This was the implementation of the digital project WE@AR which dealt with Transformation of People Systems and Processes. We also received the prestigious EV Manufacturer of the year for storage award for our Lithium-Ion Battery Pack at EV Manufacturing & Designing Awards 2021. This recognition acts as an indicator of the capabilities that our new energy business will achieve going forward. We also received several accolades at the Regional and National competitions organized by the Confederation of India.

In the Automotive Battery business, we are able to enhance our share with most of the OEM manufacturers despite a negative growth in the two-wheeler and four-wheeler

production during FY2021. Performance in the aftermarket business remained strong and the four-wheeler battery business was able to erase the loss arising on account of the lockdown. Continuing work from home situation resulted in a peaking of demand for HUPS and HUPS batteries which enabled us to show aggressive and robust growth in the two-wheeler battery business. The industrial battery business has improved its performance as compared to FY19-20. Revenues from the telecom segment have witnessed a growth as we were able to operate production facilities even during the lockdown to meet the telecom battery requirements which are essential service for the country without any interruption. Your Company's export business continues to show good growth in the Middle East and South Asian regions while new segments like motive power and solar are expected to grow in the coming years. The new leadership will be working hard to retain this momentum and drive and to drive our future growth.

Today marks the defining moment for the whole organization. A new paradigm in our history, we are placed to embark on a new journey that will take the Company to the next phase of its growth as you would be aware by now, our founder Chairman, my father, Dr. Ramachandra N. Galla had expressed his desire for not seeking re-appointment during the June 12th board meeting. He will hold office as Director and Chairman of the Company till the conclusion of this Annual General Meeting. Even though Dr. Ramachandra N. Galla has stepped down from executive roles in the Company, he will continue to mentor and guide me and the management. I will assume the role as Chairman of the Board with your support.

We now feel that the time has come for both Harshavardhana Gourineni and Vikramadithya Gourineni to step in as Directors in the Company. We adapted a robust and transparent process in the year 2013 following which both Harsha and Vikram were identified to take on larger leadership roles in the organization after an elaborate process involving working in various roles and group organization. Both Harsha and Vikram have played a transformative role in building the organizations and taking them to newer heights. Both have proved their leadership capabilities and have excelled all the roles that they have been leading since the last 7 to 8 years. Harsha will take over as the Executive Director for Lead Acid Business, while Vikram will take over as Executive Director for the New Energy Business.

Our Energy and Mobility Strategy will be focused on two broad initiatives, New Energy business and also value maximization of the existing Lead Acid Business. We are sure that together this will be our new growth engines. Your Company has built an expertise in the Lead Acid Battery space over the period of last three decades. We feel that now it is an opportune time for us to seek global expansion and value maximization. The Company enjoys very strong leadership positions in the automotive, both OE and replacement segments and in the industrial battery space. Even if lithium is expected to make inroads in this domain, we are sure that Lead Acid batteries are here to stay as the demand for them will continue to grow alongside the internal combustion engine



vehicles. They can act as auxiliary battery also in electric vehicles which they currently are doing. The demand will also continue to remain robust for certain segments in India including telecom and data centers. Our road map for the Lead Acid Business strategy includes setting up a lead recycling plant launching AGM batteries for internal combustion engine and Micro Hybrid vehicles and deployment of advanced Multi-Stamped Grid technology on the industrial side. We expect to achieve a topline annual growth rate of 15% to 17% over the next 5 years.

Coming to the New Energy Business, our strategy involves establishment of Lithium-ion cell facility and providing integrated solutions to customer. The overall lithium-ion demand over the next 5 years is expected to be about 30 gigawatt hours by 2025 and 150 gigawatt hours by 2030. Our Company will be greatly benefited by the recently announced ACC PLI scheme by the Central government. We believe that both market and policy drivers have aligned well to create an ideal opportunity to make lithium related investment. The largest segments in the New Energy business will be the EV vehicle sector, renewable energy markets and energy storage system. Apart from lithium cells and pack products, your Company will also be looking to introduce a range of power electronics which includes EV chargers, electronics for energy storage systems and other products to provide an integrated solution for customers. Our CEO, Mr. Vijayanand will be moving in as President of New Energy vertical. His rich knowledge and experience will be critical in navigating the Company to greater heights in this challenging new space. We are confident that this new strategy will act as a catalyst for our future growth and cement our market leadership positioning further.

At the Amara Raja Group, our core purpose has been to transform our increase in spheres of influence and to improve the quality of life by building institutions that provide better access to better opportunities to more people all the time. During this pandemic, this purpose inspired us even more to bring together the passion of our people in creating better experiences and achieving better results for our stakeholders. Your organization will remain firmly committed towards this core purpose and our core values. We will strive hard towards our initiatives to empower the underprivileged and advancing social objectives. Our core values are concentrated on innovation, excellence, entrepreneurship, experiences, and responsibility. Our investments in research and development and technology allow us to keep innovating and create new results. Continuous emphasis on building a superior quality culture enables us to enhance our performance to excellence. We are equally focused on converting gaps into opportunities in order to fulfill the value of entrepreneurship. Through experiences and responsibilities, we ensure that our thoughts and actions are devoted in the best interest of the environment, customers, and the society at large. We will keep implementing actions through our CSR philanthropy and employment generation initiative to give back to the society which has made us what we are today. We owe our existence and our success to our stakeholders, our employees, vendors, suppliers, business partners, dealers, the government, and the communities where we operate



are equally important role in our growth. At this juncture, we assure you that we will continue focusing on ESG initiatives promoting entrepreneurship, eradicating social inequality and poverty and partnering with the government to make the world a safer and better place to live.

On behalf of the board, I express my appreciation for your invaluable support and the confidence you have reposed in us. Your abiding trust and encouragement, dear shareholders, will go a long way in taking your Company greater heights. Thank you very much. Jai Hind.

Ramachandra N. Galla: Thank you Jay. Ladies and gentlemen, the notice convening the meeting along with the annual report for the year 2020-2021 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 36th AGM are now tabled before you before the meeting.

Now I request Vikas Sabharwal, Company Secretary to provide the brief summary of the auditor's report, details on remote voting provided to the members, e-voting during the AGM and to conduct the questions and answers session. Mr. Sabharwal.

Vikas Sabharwal: Thank you Chairman. The Auditors have given an unmodified opinion on the financial statements for the financial year ended March 31, 2021. It does not have any qualifications or observations and hence auditor's report is not required to be read out before the meeting. Your Company had provided remote e-voting facility to the members to exercise their vote in respect of the business proposed in this AGM through National Securities Depository Limited, NSDL. The remote e-voting commenced on August 10th, 2021, at 9 a.m. IST and ended on August 13, 2021, at 5 p.m. IST. All resolutions proposed in this AGM shall be decided by e-voting only. There will be no proposing or seconding of the resolutions or voting by show of hands.

Pursuant to the secretarial standards, please note that as per the AGM notice, the resolution number 1 to 4 are mandatorily required to be passed at the AGM under the provisions of the Company's Act 2013 and resolution 5 to 12 our special businesses considered as important and unavoidable by the board and hence are proposed at this AGM. I would like to inform members that the text of the resolutions and the explanatory statement wherever applicable have been provided in the notice convening this AGM and has been circulated to the members and also available on the website of the Company. I would also like to inform that the Chairperson is interested in resolution in item numbers 4, 5, 6, 7, 8 and 10. Accordingly, Sri Vishnu Raju, Independent Director, the Chairperson of Nomination and Remuneration Committee, Audit Committee and others will chair these items of the notice.

Members, as on cutoff date that August 7, 2021, who have not exercised their vote through remote e-voting and are participating in this AGM through video conferencing



are entitled to vote during this meeting through e-voting facility provided by NSDL. The icon for e-voting is available on the screen which will redirect you on a separate window to e-voting portal of the NSDL. The e-voting facility is activated and eligible members are requested to cast their vote while watching the proceedings of the meeting. The e-voting facility will continue to be active for a period of 15 minutes after the AGM is concluded.

Mr. V. Suresh, failing him Mr. Udaya Kumar K, Practicing Company Secretaries of V Suresh and Associates were appointed as Scrutinizer for the remote e-voting as well as e-voting done today during the AGM. We would consolidate the results and the remote e-voting and the e-voting done today at the meeting and then submit this report to the Chairman or any person authorized by him. The results along with the scrutinizer's report will be submitted to the Stock Exchanges on or before mandatorily required time and the same will be available on the website of the Company and the e-voting platform of NSDL. Now, I hand over the call to the moderator to call the names of the shareholders who have already registered as speaker one by one. Aman.

Moderator:

Thank you. We will now begin the question-and-answer session. I now request Mr. Arunkumar Boppana to unmute his audio and video and proceed with the question.

Arunkumar Boppana:

Good afternoon to everybody there. Thanks to Vikas Sabharwal and the team and the Chorus team for arranging this seamless VC. This is my maiden attendance at Amara Raja as I am Mumbai-based and compliments to the management for observing COVID safety measures especially contract workers and migrant workers for that you have achieved so far, for all the value additions and to the communities there for creating jobs directly and so many added survey jobs for creating hospitals, schools and colleges for the last 36-37 years, working towards more equitable and signified life. It is a tragedy you are having problems in the corridors of power, world over, there is declining political stability unfortunately, I think your family has lineage of noble people like late N. G. Ranga Garu and Gopalkrishna Garu whom I had met in my childhood in the 1960s, I think much before Galla Jayadev was born, very respectable nationalist whom I still admire, who dedicated their lives to the country, to the state. As James Cash Penney said, one will be on top today at bottom tomorrow, Amara Raja should move forward, time and nature will resolve the issues, I wish you all the best. And my questions, sir, how many lives did you lose directly in the corona, the staff and what are the packages given to the loved ones? Next normal after corona new opportunities with change in demands, increasing competition service levels, what is the cost and quality leading to substantial economic impact, Amara Raja plans, how do you identify emerging economies and how do you plan to increase jobs to reduce poverty and to strengthen social stability? How are gas filled with AI and IOT with new skills in labor intensive industry, Amara Raja plans? Any digital technologies to preempt breakdowns and prolonged life of products, Amara Raja plans? How are you prepared for transformation and manufacturing in the fourth industrial revolution with less human intervention that



is what the world over people are trying to do for more reliable service, Amara Raja plans? Will carbon fire support hydrogen and solar ecosystems, using hydrogen and CO as raw materials, any plans for Amara Raja? Advanced energy storage batteries, electrolyser and fuel cell factory for end-to-end RE ecosystem, value chains in upstream and downstream industries, Amara Raja's plan? When will Amara Raja go net carbon zero with new materials in greened chemicals integrate all critical components in New Energy ecosystem? In conclusion, there is no greater fulfillment than to touch and transform lives which you have done during the last 36 years. People who are bursting with life, do not need a purpose to live, life is a purpose unto themselves, Senior Galla Garu, you are retiring, I think your life has been best thing with so much of purpose, so I want to wish you a farewell and wish you all the best in future, a big Namaste to you, I can't see you, I don't know where you are. I would like to repeat once again, James Cash Penney said, one will be on top today, at bottom tomorrow, Amara Raja should move forward, time and nature will resolve and we will succeed. Senior Galla Garu, as you lay the office by end of this one, I am very humble and proud that you have redeemed the depth to the land that you have gone in Chittoor and a big salute you sir, I wish you all the best, Thank you.

Moderator:

Thank you. I now request Vijaya Raghava Atluru to proceed with his question.

Vijaya Raghava Atluru:

Good afternoon, everybody, in this 36th Annual General Body Meeting today, Saturday, August 14th, 2021. This is Vijaya Raghava Atluru joining all of you at the meeting from Houston Texas. First let me congratulate Dr. Naidu for his great work in starting Amara Raja in 1985 and building this all these years. He is a true son of the soil who toiled day and night expending blood and fat in creating 1000s of jobs and improve the living standards of many people in communities around the factories he established. He richly deserves the gratitude of all the stakeholders, that is employees, customers, dealers, shareholders and the governments who reap steady tax payments. I also thank Dr. Naidu in transitioning the management to a new team headed by the abled and experienced Shri. Jayadev, the present Vice Chairman and two new executive directors, Shri. Harshvardhan and Shri. Vikramaditya. I welcome them and wish them all the success. Please join me in wishing Dr. Naidu all happiness and health in a well-deserved retirement and wish him success in the pursuit of his passion for community development. It has been my privilege to be associated with Dr. Naidu and Amara Raja from the year 1989 when he approached some of his NRI friends including myself for investment in his new Company. Those were the days of high patriotism among NRI Indians and quite a few NRIs were planning and dreaming to go to India at future date and start lots of businesses and create many jobs. However, those plans remain dreams since most of us did not want to take a chance with our settled comfortable lives in the NRI states. A few brave souls did in fact go to India and returned after 4 or 5 years for a variety of reasons including but not limited to the unhappiness of wives, children's education, Indian sanitation conditions, especially mosquitos, the troubles given by the bureaucratic babus in moving the files to get licenses from government etc. But this was



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not the case with Dr. Naidu. He took a quantum leap to go to India and never look back. All those dreamers including myself who did not or could not come back to India for a variety of excuses found in Dr. Naidu, a representative of our dreams and were willing to back him financially not because he was going to make a lot of money, but at least he was willing to take a chance or as they say in America, he was willing to stick it out. My primary motive in investing in Amara Raja was that he was a qualified, honest and dedicated engineer willing to forego all the comforts of life in the NRI states and was going to India trying to establish an industry and create jobs. Even if he fails that was okay. At least he failed trying to create jobs. Profit motives were secondary, at least in my case. The assumption was that, if he succeeds in creating jobs, profits will follow sooner or later instead of remaining a mere passive shareholder, I made myself an active partner of Amara Raja by visiting his factories whenever I visited in India to see my family. I visited the factories 5 or 6 times in the last 32 years and saw steady and spectacular progress. Just like Dr. Naidu never looked back when we came to India to establish Amara Raja in 1985, I also never looked back and never sold any of my shares after I initially got them in 1990. Today capital, technology and talented people are very mobile. Governments all over the world are competing to keep the existing businesses and attracting new ones by giving lot of incentives. It is unfortunate that the government of Andhra Pradesh is prosecuting Amara Raja in courts and persecuting in the media for alleged environmental violations. Businesses are actively seeking to relocate or expand to business-friendly locations. For example, in the NRI states, California which is now considered to be hostile to businesses is losing both businesses and population to states like Texas, Florida, North Carolina etc. For the first time in history according to 2020 census, California lost one congressional seat and Texas gained two and some other southern states gained one each. Businesses and people are telling governments, if you are not my friend, I am not your friend. They are telling the governments that they can move and take their money with them. Finally, I thank the management of Amara Raja for giving me the opportunity to be able to participate in the Annual General Meeting. This is the first and the only general meeting I participated either physically or by video. Thank you very much. Namaste, Dr. Naidu for all the services you have done.

Moderator:

Thank you. I now request our speaker shareholder Praful Chavda to go ahead with the question.

Praful Chavda:

Sir, I have read in Times of India, that for 3 decades Ramachandra Gallaji used to be the Chairman, now Jayadev sir will become Chairman, so now when I listened to Jayadev it was very good. Sir, this is the first AGM I am attending, so I want to know, the pictures of 11 Directors in front of me, they all are wearing different T-shirts of different colors, so what is the meaning of making these are different in color? What message you want to give with this? Please could you tell this so that all shareholders will come to know why you have chosen like that. Sir, mostly Board of Directors does the hard work, employees do the hard work, distributor does the hard work, and raw material agents also does hard work to help the Company prosper and now has reached



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August 14, 2021*

great heights. Sir, totally now electronic vehicles are coming, two-wheeler, four-wheeler, the battery in these vehicles are very costly and because of that the two-wheeler, four-wheeler costs are high. So is there any program with us in which we can make batteries for cheap and of good quality so that it gets charged in one hour or two hours, please tell me if any program like that is happening. And the units that we have, how many of people have started using battery installed two-wheeler or four-wheelers. What are they doing for cost cutting? You have told about what works are being done in CSR. My suggestion is, we have completed 38 years in this field and we have not helped anybody in the Olympic game, not helped any player who can win an Olympic medal for country. Also, please do something to encourage those players who have returned from Olympics, both who won and those who haven't. Tata Group has provided car to all of them. So let our Amara Raja companies name also associate with that, do something towards it. That is my thinking. And most importantly, the Company's valuation, we have new Director appointed and new Company Secretary also, so I welcome those and first time I have got opportunity to hear Jayadev sir, I welcome that too. Thank you.

Moderator:

Thank you. I now request Santhosh Kumar Saraf to proceed with his question.

Santhosh 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 safe during this COVID time. Ramachandra sir you are leaving us, we are very sad about it. If it was a physical meeting then we would have given you a great farewell and I would have come from Calcutta to attend the meeting, sir. But now I have no choice, so I request you sir, I want to bid you farewell from here and please accept it. I am giving a bouquet for you, please accept it. And sir, you have done so much service for us, you have taken the Company to much heights, I thank you for this. You came from America in 1984 to start the business and now see the value of the shares, it is Rs. 600 against Rs. 1, if we calculate otherwise, it is Rs. 6000 against Rs. 10. And sir, I would also like to give respect to those who has left us during this COVID time and pray to god may their soul rest in peace and to give strength to their family to carry on. And sir, I would also like to thank for your dividend and the awards that we received because of the hard work of our employees, for that also I congratulate and thank you. And I have written a letter to you, your secretary must have kept it on your table. What steps have you taken towards the third wave of COVID which is about to come? I have also asked about rain water harvesting. I also asked about renewable energy, are you installing solar panel and rain water recycling etc. at your place. I have also asked about vaccination, how many of our employees have taken vaccination. I have asked about CAPEX plans. I have asked about women empowerment, what is your view on that? I request I have a friend Jai Abhishek he has also applied for registration. If he could an opportunity before your retirement, then it would have been good. Your secretary has not given him a chance. He is waiting online for this chance, so that he can express his feelings. So please tell him to give him a chance. My last

question is, our Jayadev, sir, you are MP of our Lok Sabha, so can an MP become the Director of any private Company? I do not know about that. Please look into it because MP is a public servant and how can he be placed on a private income job. Here you get profit and get income, so please look into it so that it does not become illegal because of which we get into any problem. So please look into it. So, I will not take much time of yours. I pray to god, our Ramachandra sir, your retirement life be happy and you long live and lead a healthy life. One request is, you please be with us like an umbrella with which our Jayadev sir will be able to nurture his future. Please provide him all the help. Just like Ratan Tata for Tata and Premji for Wipro, like that how they have handed over. And without taking much time, once again praying to god for your good health. Sir, one more thing, please tell us how many percentage of people are vaccinated. I Also pray for all employees, shareholders and their family members for their good health and that let this 2021 be healthy, wealthy, and prosperous. Ramachandra please come online whenever we have meeting, and check how your boys are handling the meeting, please have a check on that. Jai Hind, Jai Bharat.

Moderator: Thank you, sir. I now request Suresh Chand Jain to proceed with his question.

Suresh Chand Jain: Respected Chairman sir, all the Directors and shareholder friends, it was 15th August and celebrated our 75th Independence Day. And we are also celebrating Amrit Utsav, so I wish the family of Amara Raja and hope you will also help in making Amara Raja very special for India. Sir, the Chairman speech that you presented, I thank you and your team for that. And sir, I am a shareholder for 20-25 years and this is first time I am getting a chance to speak in video conference and sir please continue this video conferencing here on. With this I conclude my speech. I have another meeting in Hyderabad around the same time and need to attend that too. So I pray to god to give this Company all success. You have run the Company very well. Thank you for that. Thank you.

Moderator: Thank you. Now request Kamal Kishore to proceed with the question.

Kamal Kishore: Chairman sir, Ramchandraji, Jayadev Galla sir and all Directors, newly appointed Directors also, and the Company Secretary, thanks to all. This is our second meeting in COVID time and I feel like we are having physical, Directors are sitting just like that. So, the arrangement made by secretarial department is very good. Happy to see this. And sir, now the electronic vehicles are going to get launched in markets. Yesterday PM Modi also informed about stopping the 15-year-old vehicles. I would like you to open shops for electric vehicles in Andhra and Telangana, so that those who want to buy can directly come to your shop to buy. We would really appreciate it. Sir, and your share price is 770 and I am your shareholder for more than 20 years. I have even come to Renigunta for attending meeting. And sir please continue video conferencing so that we can attend from anywhere in the country, just like how our shareholder from Calcutta told, not always keep physical meeting. We get to speak locals from different places



and we get to know more information. I got Company bonus also. We have got good return because of your hard work and that of your employees. And Jayadev sir, I have met you when you were director for a tele film in Hyderabad. And sir, nothing more to say. Wishes for Ganesh Chaturthi and wish for Independence Day tomorrow. Secretarial department has helped us very much for getting connected to this video conference. Thanking them for all their support. Thank you, sir.

Moderator:

Thank you. I now request Dipankar Purkayastha to proceed with the question.

Dipankar Purkayastha:

Good afternoon and thank you for the opportunity, I have got a couple of questions, first question is in the lithium-ion Batteries business, are you inducting any technology partner or are you going to develop this entire technology in-house because when you started with Lead Acid Batteries, you had Johnson Controls as your technology partner, so what is the arrangement for the Lithium-Ion Batteries? Second question is, what will be the main raw material for the manufacture of this lithium ion batteries, earlier it was lead and recycle lead for the other products, so what is the main raw material going to be for the lithium ion batteries and what is the supply chain arrangements you are making for these raw material because what little I knew about this is that the market for these raw materials has to a great extent been cornered by China, so what are the supply chain arrangements you are making for these raw materials? Question number 3 is that some of the OEMs like Suzuki are also setting up large in-house capacities for the manufacture of lithium-ion batteries, so in a sense you will be competing with your own customers, so what are your thoughts on this new scenario where you will be competing with your customers? Next question is that this year I think and next year also, substantial electric two-wheeler capacities are coming on stream, Ola, Ather and all these companies, so any plans to cater to these companies? Next question is, in your lithium-ion battery businesses, are you going to cater only to the OEMs or will you be also catering replacement market, because if we are going to cater to the replacement market, how will you do it, are you going to set up a battering swapping network or what are the arrangements you are going to have for catering to the non-OEM business for lithium-ion batteries? The next question is that, do you have any plans to enter silver oxide, zinc, nickel cadmium, silver chloride, magnesium batteries which have got applications for underwater propulsion, control guidance and aerospace applications because the reason why I am asking this question is that since several of the OEMs are setting up in-house capacities in the automobile sector for manufacture of lithium ion batteries, possibly the market for you will shrink, so have you thought of these other new lines of business? One question on the balance sheet and the financial statements, contingent liability on account of excise duty has shot up from 7.4 crores last year to 58.4 crore this year, what is the reason for this huge jump in contingent liability on account of excise duty? And my final question is some of other shareholders have also referred to the whatever, I don't know what political problems or whatever which has led to that pollution control case against your Company which led to the Company being shut down, so without going into all those politics, I just would like to

know what is the exact legal status of this, you have gone to court for a stay order, the stay was granted or something like that I read in the press, so can you give us an update on this matter? I think that covers all my questions, thank you for the opportunity and just one final request, although I have been a long-term shareholder of the Company, I could never attend, because going to Tirupati was not a feasible proposition for me, so my request is in future also, if you can continue with this video conferencing, it would be great. Thank you for the opportunity and take care.

Moderator: Thank you. We will take our next question which is the audio question from the line of A. V. Manisundaram. Please proceed with the question.

A. V. Manisundaram: I am shareholder of Amara Raja Batteries from Salem, Tamil Nadu, first of all I congratulate management, Board of Directors, Chairman and Company Secretary, due to pandemic, you have done good production and also earnings. One more we have registered one of the shareholder Mr. Abhishek from Chennai, he is not given a chance to speak in the AGM because same date we have registered, but he is not given any chance, chance is to be denied, one more due to liability it has been very high jumped, what is the reason, I don't know, one more, another question, now India government has been promoter of the electrical vehicle, two wheelers and cars and before one of our shareholders are asking about manufacture of lithium battery, what is the cost of manufacturing raw material and so. What is the reason, this year very low dividend, I expect more dividend, sir? Sir, please conduct physical meeting next time. Thanks for the dividend. Is there any problem of appointing MP as a Chairman? Please check on that. Any future plan expansion about Amara Raja Batteries? Last, acid battery was good, now the battery life is very low, what is the reason? Please explain. Also please allow for plant visit. Even during corona time, you have done a good job taking all safety precautions. Thanks for giving me a chance to speak in Amara Raja Batteries AGM. Due to some technical fault, my audio only can speak, video is not there. Chorus, please provide better service next time. Thanks a lot, sir.

Moderator: Thank you. We will move to the speaker shareholder, Bharatraj Kankala as an audio question. Please go ahead.

Bharatraj Kankala: Good evening Mr. Chairman and entire Board of Directors. First of all, due to the technical reason I cannot come through video, I am going through the audio. Sir, I am happy to see all the directors and Chairman healthy, safe and fine sir. First of all, I thank the services of Mr. Ramachandra, our Company Chairman. Under your legacy, you have built a very big banyan tree, with 2 crores, you have created a billion-dollar Company where 200 employees you made 80,000 employees and 60,000 not under full employment. I am very proud of you sir, you have taken Amara Raja Batteries to the next level and I warmly welcome Mr. Galla Jayadev as the Chairman of our Company and we are proud under leadership of Mr. Galla, our Company is going to the legacy, you will take our Company into next billion-dollar Company sir, we are waiting for it sir



and I think the services of Mr. Rajaram, our ex-Company Secretary. He has retired from our Company; I wish he will be happy. Warm welcome, Mr. Vikas, Vikas is a friend of mine, very good person and very jovial person. The beauty of Mr. Vikas is always smiley face, whenever he sees says it touches our heart, because he is very smiley and very friendly, I wish you will be more service oriented to our Company and under our leadership and under our Company and make our Company more pride, Mr. Vikas all the best in coming year. Mr. Chairman, I thank the dividend because our Company has very good dividend payout. My question is that, your Company has provided all vaccination to our employees, any death calamities happened and any salary cut or commission cut sir? Regarding this new plant, sir, you are planning to shift to Chennai, but my request is, why not you come to Hyderabad sir? Hyderabad also, Honorable Minister Mr. KTR and Honorable CM Mr. Chandrasekharji and very good soft and very good benefits to the companies, so why not you come to Hyderabad, sir, why not you plan for the Hyderabad? And one more thing sir, I warmly welcome Mr. Vikram and Harsha, new Executive Directors, yes, young generation, I am very proud under their leadership, definitely our Company will go to the next level, sir. Once again, I thank the management and entire Board of Directors be safe and healthy. We are very proud sir and one more request is there, can we expect a bonus, sir because now 4 to 5 years has happened, can we expect a bonus under the new leader of Mr. Jayadev Galla. Mr. Galla, once again, all the best as a Chairman sir. We meet in the next year AGM, we will meet you personally and we honor you sir. All the best, sir, take care, God bless you all.

Moderator: Thank you. All the registered speakers have been provided the opportunity. There are no other speakers in the queue.

Jayadev Galla: I would like to thank all the shareholders proposing your queries. Mr. Arunkumar Boppana, Mr. Vijayragava Athuluru, Praful Chavda Santosh Kumar Saraf, Mr. Suresh Chand Jain, Bharati Saraf, Kamal Kishore Javar, Dipankar Purkayasta, A V. Manisundaram and Mr. Bharatraj Kankala, thank you all very much for your questions. We are going to be answering all the questions by subject. Different members of our team will be handling different subjects.

I will start with first of all the questions on the COVID related questions and how the Company has been responding challenge and this crisis and its impact. I would like to inform you that due to COVID-19 pandemic, we have unfortunately lost 4 of our colleagues in the Company at from different levels, right from two operators, one management and one staff unfortunately we have passed and also from different age groups, youngest 27 and eldest is about 55, a big loss to us and their families. We express our deeper sympathies to their families. As regards, additional benefits we have decided to extent onetime monetary compensation to the family along with educational scholarship for their children up to class 12. We will also be extending an amount equivalent to monthly gross salary for a period of 2 years to the families.



Moving onto the impact of COVID-19, the Company during the lockdown period, the manufacturing operations, material movement and sales have definitely been affected, however, in certain segments of the market the demand picked up very quickly post lockdown. With the vaccinations getting in full swing, we are cautiously optimistic the economy will be back onto formal levels. There is one question asked about specifically on the vaccination. Apparently, between we have more than 60% of the people in our Company who had two doses of the vaccine and about 20% of the people in the Company who had just the first dose, but this is an ongoing exercise. We have been giving the work place vaccination at the different manufacturing premises. We have cost for all employees and their families also and if anybody wishes to get the vaccination done outside or had already gotten it done prior to us starting the workplace vaccination, we are compensating 100% of the cost for those vaccination. We believe that it is extremely important to contain and to bring some level of normality back in the world that the whole world has to be vaccinated, we have to remember that this phase started with one person in China getting infected and we saw how fast it spread all over the world. Even if there is one person left and unvaccinated people in the world the way that the virus is mutating, even the vaccines may not be effective for very long unless we come under control. We have taken this job very seriously and we are ensuring that we are providing utmost protection for employees.

At the very beginning of the COVID-19, we had a rigorous review of portfolio of businesses to assess the relevance and significance of the current businesses and the new avenues available for us to define the next phase of our growth trajectory. One of the critical strategic focus areas that clearly emerged as a compelling opportunity was what we call as energy and mobility. This domain will help us to capitalize the increasing adoption of electric mobility and sustainable energy solutions enabled by tectonic shifts in technology and business models happening in this sector.

As far as questions related to business performance and operations, Delli Babu and Vijayanand will respond following which Harsha will respond on digital technologies, Vikram will respond on the New Energy business and Vikas will respond on governance matters. But before moving on, there were couple of questions that I thought I should personally answer. One was specifically on my role as a Member of Parliament and what are the rules as far as appointment is concerned. I think I would like to inform all the shareholders today that Indian democracy legislative branch envision to be whether the Lok Sabha and Rajya Sabha at the center or even the legislatures in the state assemblies in each state is meant to be citizen legislated, not meant to be a full-time job. Each of the people who are legislators either at the state or at the central level are expected to be drawn from all different walks of life, from all different occupations, to represent the totality of the country. We have lawyers, we have accountants, we have businessmen, we have teachers, we have labor leaders, we have people drawn even artists and singers, sportsmen, all of these people make up the Parliament of India under state legislature and all of them are expected to continue working in their



respective, earning in their respective, as a representative of those areas and bringing those thoughts and those ideas in the parliament. Though this is the vision of the founders of our country and as per rule also, if you remain as a member of parliament or a member of the legislative assembly, you are not fully employed or you are pursuing various occupations. Doctors are also there who continue practice, but if you become part of the government that is a minister, the cabinet and part of the executive branch, then you are not allowed to have a secondary occupation as that becomes a fulltime job. As long as you are a legislator, either at the center or in the states, there is no restriction and in fact it is expected that citizens who are legislators continue to pursue with their various occupation, but if you join the executive branch and become a minister, then you have to resign all other position and work on that full, that's just a verification on that point.

Now, before we get on to all the other questions, I would like to specifically call out and thank Mr. Vijaya Raghava Atluru one of our original NRI investors who invested way back in 1990 and today he was saying he never sold single share, we thank you for your support and your confidence in us all of these years. Before we move onto answering other question, I think our Chairman would like to say a word and thank Vijaya Raghava for his support, by the way it is 5 a.m. Thank you sir.

Ramachandra N. Galla: Mr. Vijaya Raghava Atluru, I really thank you for all the kind words you put down regarding to me. You and all our NRI friends together, initial investment we brought into that one there you make me enable this venture to get into India to start with. Today morning, I brought down, initially helped how things happened with the NRI friends helped me, they initiated this one and how supportive they were with all of you and through you I like to congratulate them, I write to reach some of the people, talked to them personally also, it is a very valuable input at that time and you put the faith on me and gave me without any of the references, business or anything you have to go through and you put the responsibility to me to build and grow that wealth for you also. Until today, all NRI friends who helped me to start the business, they are all staying along with me and your kind words and support has been a very valuable for me. Even now I remember, we started in 1985 and now when you come here, you visited the plants, appreciate that gives me lot more strength, encouragement that I should do better and not only you, most of our friends also, they are visiting and looking at hearing about it, they have been appreciating, kept the faith in us for past 36 years and I really appreciate, Thank you and I appreciate through you, I am thankful for all the friends and another friends who initiated investing along with me. Thank you. You are quite welcome whenever you come to here, just like earlier times you be and we can spend the time.

Jayadev Galla: Thank you Chairman. Before passing it on to others, there is couple of more questions I wanted to answer. One is the nice question asked by Mr. Praful Chavda regarding why we wearing different color shirts by all the Directors. Mr. Chavda, thank you for asking



that, in fact, not only the directors, but every employee in the group gets five different color shirts, each color represents one of our core values, innovation, excellence, entrepreneurship, experiences and responsibility and they can wear whichever color they want, we were the only ones who assigned colors and we have to appear in this type of a conference so that all are not wearing the same color, but otherwise the employees have the option, to decide first thing in the morning which color they want to wear and what mindset they want to come to work with. This is the reason why we have this.

Also, a more serious question was asked about the current legal status with the AP Pollution Control Board and what is happening on that front. Since it is subjudice 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 both Karakampadi as well as near Chittoor at Amara Raja Growth Corridor. We were able to get a stay from the High Court of Andhra Pradesh and we were able to resume our operations within 5 days, so there was a 5-day disruption. Currently, all plants were operating, we are arguing in the court to answer all the allegations made by them but from the beginning, we have always had tremendous commitment and see from the awards we have won from various organizations or even the budget that we have had for various environmental related investments that we have been committed to this right from day one. We are very confident about our Company's commitment to the environment and to the people's health safety and we believe that we should be able to get through the case with right outcome and positive outcome. We are working with the state and the Pollution Control Board to take steps wherever there may be some small deficiency. We have every intention to ensure that wherever there is scope for improvement, we will make those improvements.

Now, I would like to hand over questions regarding business performance and operations to our CFO, Mr. Delli Babu and Mr. Vijayanand who till recently over the last couple of years has been our Chief Executive Officer and is now moving onto the very challenging role of President for the New Energy Investments, but regarding last year's business performance and operations, I will ask Delli and Vijayanand to please answer the questions.

Delli Babu:

Thank you Jay. There is a question by Mr. Dipankarji regarding the increase in the contingent liabilities. This was pertaining to service tax liability case that was raised by the department saying that service tax has to be paid on the Managing Director's remuneration whereas the Managing Director, being an employee of the Company is not subjected to service tax. There are judicial announcements available in support of that. So, it is not a valid case in our opinion, so we have contested that in the tribunal, so hence total service tax liability and the interest along with it has been taken as a



contingent liability in the balance sheet, but we are sure of positive outcome on this case and then we are hopeful for a positive outcome in the tribunal.

Now, there was another question regarding the dividend. Currently, the Company has up to 30% of PAT as the dividend policy and this year also the dividend was announced by the board at 30% of PAT which is coming to about Rs. 11 per share as the dividend and we have received some more questions from Mr. Abhishek and I would like to go through them and then answer them. Mr. Abhishek asked us about what are the capacity utilization levels of the plants over the last 5 years. Over the last 5 years, Company has been consistently adding facilities across the product segments and the average utilization in any given year was around 85% to 90% and then capacities were added as and when the demand signals were robust. As far as the current quarter is concerned, owing to the COVID restrictions and other limitations posed by the pandemic, utilization levels are around 82, so at this point of time, the plants are running at the optimum level of utilization.

There was also a question about what are the measure with respect to cast cutting on account of COVID, in FY21 there was a decision taken to take salary reduction based on business performance linked payments where we have all the employees who are about 15% of the population because these salary cuts were not applicable for lower grade employees, only 15% of the people who are above certain pay grade have taken pay cut and after the year performance was reviewed, then the entire payment that was withheld was paid back to the employees as such there is no salary cuts that were imposed on the employees during FY21.

And also, there was a question regarding have we retrenched any employees, there was no retrenchment that was done by the Company in the financial year FY21. There was also a question about how do we enhance the interaction with the investors. We do have quarterly interaction with all the analyst community as well as the investor community and then as and when they have any specific clarifications that are required on our business, they do reach out and then whenever we participate any of the investor conferences, we do publish those conversations on our website for the benefit of all the shareholders at large.

And there was another question regarding what are the initiatives that the Company is taking towards utilization of more solar power towards environment and sustainability. We have implemented almost 14 MW of solar roof top plants across all our plant locations. Today, they are generating solar power which is actually reducing our overall power purchase from the grid and also the Company has decided to put a separate Ground Mounted Solar plant with the capacity of close to 50 MW which will ensure that close to 30% to 35% of the overall power requirement of the Company will be coming from the sustainable energy sources.

Then there was a question about the increase in the noncurrent liabilities during the year. The noncurrent liabilities and current liabilities include some of the accounting related to the EPCG grant what we get on our exports, so there was increase in the export sales, hence there is a higher recognition of those, it is an accounting process that where those government revenues have to be recognized based on the EPCG license utilization, so that is where there is an increase in the current and noncurrent liabilities.

And there was a question regarding the legal and professional and audit fee spends. These are pertaining to some of the new strategy direction that we have developed and also for the future growth of the business we do engage services of certain professionals and research firms for us to enable to take better decisions regarding the future course of strategy, so with regarding to that we spend this money. So, I think these were the questions related to the financials and the business performance. Now, I request Harshavardhana to answer questions related to digital technology.

Harshavardhana Gourineni: Thank you Delli. There were questions regarding investments in new digital technologies, so give an update on that. We are currently strengthening our capabilities in new technologies like robotic process automation, mobile applications AI and machine learning enabled analytics and such similar process technologies. In this regard, we have deployed several technologies on the shop floor for both improving manufacturing efficiencies and productivity. We have created an IoT to you to pilot new technologies which would help with energy management, production scheduling, productivity maintenance and machine uptime. We have implemented SAP S/4 HANA as a digital core, Cloud and Cyber Security technologies to ensure continuity of our operations.

Now, let me move onto the questions regarding our energy and mobility strategy. To drive future business growth, we will have a clear emphasis on maximizing value within the Lead Acid technology and trading a growth engine around the new energy space. The Lead Acid business has significant opportunities to grow by becoming the market leader in the domestic market accelerating international business, expanding our global market presence and by pursuing inorganic growth opportunities. I would now request Vikram to detail the New Energy Business.

Vikramadithya Gourineni: Thanks Harsha. Just to introduce a little bit about our New Energy business. The new energy in business involves building capabilities and emerging energy storage technologies such as clean energy, electric mobility and distributed energy and we are looking at developing range of capabilities on top of our existing battery capabilities like control software, power electronics and other parts of the solution. If I can attempt to answer a couple of questions specifically asked by Mr. Boppana and Mr. Dipankar, first in the questions circulated by Mr. Boppana, he had a couple of questions on hydrogen, electrolysers and the solar energy space. Sir, while we are looking at the energy space holistically, right now, our focus is more on battery and energy storage related solutions



while we are continuing to watch the space areas like hydrogen and other areas that you mentioned, we don't have any immediate plans to enter this space, but it is definitely possible that we could take another look in the future.

Mr. Dipankar asked us if we have any technology partners similar to the way that we entered the automotive space for Lead Acid Batteries. We are currently engaged in an exercise trying to find different partners specifically for lithium technology and I think you would also be aware that earlier last week I should say, we made an announcement about our investment that we made in a startup that has certain capabilities and lithium in other advance chemistries, so yes, very much, we have opened to partnerships and we are working actively to stitch them with both developed and startup companies. You asked what are some of the raw materials that go into lithium-ion batteries, I think of course lithium is an obvious answer, but it is also important to point out that lithium-ion batteries is being used as a little bit of general term. There are multiple variations of chemistries that go into lithium, some of them were common ones being the ion phosphate technology and now the Nickel Manganese Cobalt technology. While many of these are refined chemicals, they need to be imported from abroad. There are many efforts both by government and private sector to bridge these gaps and ensure that there is a robust supply chain moving into India, but I would also like to point out that the final material by value going into a lithium-ion battery pack, almost 60% to 70% is readily available in India and could be easily developed, so this while there should be, there is a concern on raw material available in India, we are confident that these chances could be overcome.

There was a couple of questions on upcoming OEMs and OEMs making their own investment into lithium-ion battery capacity. Well we are aware that some OEMs are making such investments, we are also looking at the scenario and areas of the world where significant investments that have already been made in Gigafactories such as China and Europe. We don't feel that all OEMs are following the same model. We will have to wait and watch how the Indian OEMs are making their investments accordingly. We personally don't feel that all OEMs are going to take the approach of making all the batteries in-house, but it is a little difficult process to make any sort of definitive conclusion at this point of time.

Finally, again the question was, we are looking at only lithium and other new chemistries. As I mentioned earlier, we are looking at a range of advanced chemistry solutions. We don't feel that it is going to be a one-size fits all solution across the board and electric mobility and energy storage and we will be actively looking at delivering the right solution to the customer based on the need. Going forward, instead of being dedicated to a single technology, we would be taking more technology agnostic approach and we feel this would enable the most success for our Company. Thank you. In regards to the governance related matters, I would request Vikas Sabharwal to take up and elaborate further.

Vikas Sabharwal: Thanks, Vikram. There were couple of questions with regard to the process of appointment of Directors and so on and about the profile of the new directors as the detail profile of all the directors who are getting appointed at this AGM was provided in the notice of the AGM as well as in the annual report itself and everything was there. The Company is in compliance with all the regulatory requirements with regard to appointment of the directors. The nomination and remuneration committee selects primarily potential candidate for the purpose of appointment and recommends it to the board and the board finally thereafter is placed to the approval of the shareholder.

There was also a question with regard to dividend and dividend percentage which Delli has answered that Company has a stated dividend distribution policy which is already available on our website and we are paying dividend as per that. Finally, there was also a question with regard to the presentations whenever we make to the investors to be readily made available to the stock exchanges which we are following in terms of letter and spirit, whenever there is an update of any information we comply with the provisions of the SEBI LODR and the Company's Act and inform all the stakeholders accordingly and place it on our website for the information of all the stakeholders. This will continue going forward also. I believe with this; we conclude the questions and answer session. Over to you Mr. N. Sri Vishnu Raju, Independent Director.

N. Vishnu Raju: Good afternoon, dear shareholders. The Board of Directors places on record their sincere appreciation for the vision, valuable guidance and advice extended by Dr. Ramachandra N. Galla Garu. During his tenure on the board of the Company, his values, outlook and ideals as documented in the Amara Raja way will continue to serve future generations of the Company. It has been an honor serving under the Chairmanship of Mr. Galla for all of us. I think all of us have learnt a lot from him and we would like to place this on record. Thank you.

Ramachandra N. Galla: I thank once again all the members for taking their time to join the meeting through video conference. I also thank the members and the entire team ensuring to conduct this AGM seamlessly. I personally thank some of the shareholders who conveyed best wishes or appreciating my service in the Company and wishing me the happy retirement life. I really thank you for your kindness and looking into that one, wishing me happy retirement. I thank all my colleagues on the Board. I once again request all the eligible members to cast their vote through e-voting which will remain open for 15 minutes after the conclusion of the meeting. Now, I authorize Vikas Sabharwal, Company Secretary to receive the scrutinizer report and declare the results. Now, I declare the meeting as concluded with your consent and other members of the board and senior management team. I would like to leave the meeting and I request the members to stay safe and healthy. Thank you.
