



## Corporate Social Responsibility (CSR) Policy

### **Amara Raja Batteries Limited**

CIN: L31402AP1985PLC005305

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## 1. Introduction and Background

Dr. Ramachandra N Galla (Mr. Galla), the founder promoter of the Amara Raja Group of Companies firmly believes that business objectives apart, entrepreneurs had an underlying responsibility towards empowering the underprivileged people and advancing social objectives. Accordingly, the manufacturing facilities of the Amara Raja group of companies are situated in the remote villages i.e Karakambadi, Pettamita, Diguvamagham, Rangampeta and Nunegundlapalle villages of Chittoor district providing the employment and also uplifting the lives of the people surrounding the areas where the Company operates.

At its silver jubilee celebrations the group unveiled the new logo and redefined the core purpose and values of the group which are as follows:

### Core Purpose

To transform our spheres of influence and to improve the quality of life by building institutions that provide better access to better opportunities, goods and services to more people... all the time.

### Values

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

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

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

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

**Responsibility** to us is the total ownership of our thoughts and actions in every situation to achieve maximum common good in the best interest of Environment, Society, Customer, Supplier, Employee and Shareholders.

Amara Raja with a vision of inclusive and sustainable growth in delivering world class products, acted as an agent of change bringing about transformation in communities and markets that it operates in and the way in which it has built its work culture.

Being a responsible company, Amara Raja believe that Responsibility is about true commitment to everything we do. Amara Raja as a way of life was always a front runner in every social cause whether it's a natural calamity, rural development, providing infrastructure, water facilities, irrigation projects, environment and promoting education etc.

Amara Raja had engaged in all the above social activities through Rajanna Trust, Mangamma and Gangulu Memorial trust and Krishnadeva Educational and Cultural Association.

## **2. Applicability**

- 2.1 This Corporate Social Responsibility Policy (“CSR Policy”) has been adopted by Amara Raja Batteries Limited (“the Company”) in consonance to Section 135 of the Companies Act 2013 (“Act”), the Companies (Corporate Social Responsibility Policy) Rules 2014 (“CSR Rules”), and notifications/circulars issued by the Ministry of Corporate Affairs, Government of India from time to time.
- 2.2 The Policy shall apply to all CSR projects/programmes undertaken by the Company in India as per Schedule VII of the Act.
- 2.3 This policy shall be applicable to Amara Raja Batteries Limited, and all its employees.

## **3. CSR Budget**

- 3.1 The CSR Committee of the Board constituted under Section 135 of the Act will recommend project wise annual budgeted expenditure to the Board for its consideration and approval.
- 3.2 The total CSR budget for any financial year commencing from 2014-15 shall be for an amount equivalent to higher of any of the following:
  - a. 2% of the Profit Before Tax (PBT)
  - b. 0.2% of the net sales of the Company,
  - c. 2% of the average net profits of the Company made during the three immediately preceding financial years.

## **4. Areas of Focus**

The Company will implement its CSR activities in accordance with provisions of Section 135 of the Companies Act 2013 and the Rules notified thereunder.

Presently, the broad focus areas of the Company are as follows:

- a. Education
- b. Health
- c. Environment
- d. Rural Development

Education and Health are primary focus areas of CSR policy of the Amara Raja. The activities under the Education include primary, secondary and higher education, skill development of rural youth, providing scholarships to meritorious students of underprivileged and promoting preventive healthcare activities such as providing safe and healthy drinking water, aiding

hospitals etc. Further thematic areas will be prioritized to reach the underserved segments of the population like women, economically and geographically disadvantaged vulnerable and marginalized population. The company also lays emphasis on employee volunteering in all its CSR efforts. These programmes shall be implemented through Rajanna Trust (Mangamma and Gangulu Naidu memorial trust being merged with Rajanna Trust).

Further, various check dams, lakes, ponds and other water resources to enhance ground water levels across the villages in Chittoor District.

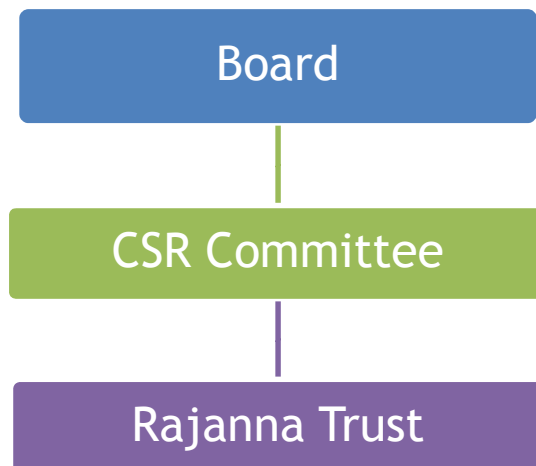
## 5. Implementation

The Company's CSR programmes will be identified and implemented in accordance with approved CSR policy of the Board. The Company will enhance its monitoring and evaluation mechanism so as to ensure every programme has:

- i. clearly defined objectives, targets and time lines.
- ii. progress monitoring system
- iii. a reporting framework and system in alignment with the Act and Rules.

The company will implement its CSR programs through Rajanna Trust.

## 6. CSR Governance Structure



An individual will be appointed to act as an nodal officer between Rajanna Trust and CSR Committee.

## 7. Roles and Responsibilities

### 7.1 Board

The Board of the Company will be responsible for:

- approving the CSR policy as recommended and formulated by the CSR Committee
- ensuring that in each financial year the Company spends at least 2% of the average net profit before taxation made during the three immediate preceding financial years on the CSR activities specified in Schedule VII of the Act.
- ensuring that every financial year funds committed by the Company for CSR activities are utilised effectively, and regularly monitoring implementation.
- disclosing in its Annual Report the names of CSR Committee members, the content of the CSR policy and ensure annual reporting of its CSR activities on the Company website.
- ensuring annual reporting of CSR policy to the Ministry of Corporate Affairs, Government of India, as per the format prescribed under the CSR rules as amended from time to time (Annexure-I).

As per Section 135 of the Act, the reasons for under spending of the allocated CSR budget shall be specified in the Board's Report.

The surplus arising out of the CSR activities, if any, will not be considered as a part of the business profits of the company.

The CSR projects or programs or activities that benefit the employees of the Company and their families and any contribution of any amount directly or indirectly to any political party are not considered as CSR activities.

### 7.2 CSR Committee

**Composition of the CSR committee:** The CSR Committee of the Board will consist of three or more directors of which, atleast one will be an independent director.

The CSR committee will be responsible for:

- formulating the CSR policy in compliance to Section 135 of the Act read with the rules made thereunder
- Identifying activities to be undertaken as per Schedule VII of the Companies Act 2013.
- Recommending to Board the CSR expenditure to be incurred.
- Recommending to Board, modifications to the CSR policy as and when required.
- regularly monitoring the implementation of the CSR policy

## 8. Monitoring and Reporting Framework

The Company's CSR Committee shall monitor the implementation of the CSR Policy through periodic reviews of the activities of Rajanna Trust. The Rajanna Trust through its representative will present its annual budgets and list of programmes, projects, and activities

to the CSR Committee for its approval. The Committee will in turn recommend this to the Board for its final approval. In compliance with the Act and to ensure funds spent on CSR programmes are creating the desired impact on the ground a comprehensive Monitoring and Reporting framework will be put in place. The monitoring and reporting mechanism is divided into:

- I. Programme Monitoring and Evaluation
- II. Reporting and Documentation

#### **9. Programme Monitoring and Evaluation**

The programme monitoring and Evaluation mechanism will ensure the

- i. CSR policy is implemented as per the Act and the Rules and all projects/programmes are duly carried out as budgeted.
- ii. The expenditure on CSR will be closely monitored and funds shall be released against verified utilizations as per the approved work plans. This may include monthly field visits, comprehensive documentation, and regular interaction with beneficiary communities.
- iii. MIS monitoring mechanism and evaluation plan will be put in place
- iv. The Expected outcomes be clearly defined for each programme as per stated timelines.
- v. There shall be clarity about the scope of the programme and the need before evaluations are undertaken.
- vi. The expenditure on CSR will be audited in an accountable and transparent manner.
- vii. Periodical review and reporting by the CSR committee and the Board.

#### **10. Documentation and Reporting**

The CSR Committee will prepare the annual CSR report to be filed by the Company on approval of the Board. This report will ensure the documentation of the CSR projects and programmes, MIS on expenditure incurred towards CSR and beneficiaries impacted, which be in alignment with the prescribed reporting format (Annexure-I) and accountability is fixed at each level of CSR process and implementation

**Annexure - I**

Sl No.	CSR Project or activity identified	Sector in which the project is covered	Local area or Specify the state and district where project or program were undertaken	Project wise or Program wise Amount outlay (budget)	Amount spent on the projects or programs Sub-heads: Direct expenditure: Overheads:	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency*

\*Details of implementing agency need to be given