



STATEMENT FROM HARSHAVARDHANA GOURINENI

LEAD ACID BATTERIES ARE INTEGRAL, AND WE WILL CONTINUE TO FIND **NEW WAYS TO GROW**

DEAR SHAREHOLDERS,

It's a pleasure to connect with you through my **first official Annual Report communication**. As we know, FY22 was a mixed bag owing to the volatility that prevailed through the period leading to a bumpy ride.

WE brought together diverse capabilities drawn from our resident intellectual capital to fight this battle and with determined discipline, we overcame this challenge.

As normalcy returned, we continued to build deeper relationships with our customers and grow the trust they have in us. We recorded an impressive revenue growth which was aided by strong volume growth in both automotive and industrial applications across all customer segments. These sectors witnessed better than expected demand in the last two quarters of the year, resulting in emerging industry needs and a strong market demand. Consequently, we have been keeping manufacturing operations at the optimum capacity utilisation levels.

The automotive division reported a healthy double-digit growth buoyed by the 4-wheeler OE space and healthy volumes from the aftermarket segment as well. This uptick was strongly supported by increasing demand from international markets.

The industrial division also reported robust growth owing to a higher offtake from all user sectors. The team made a heartening breakthrough by endorsing a contract with the Adani group for supplying energy storage solutions for their Data Center applications. In the motive power

space, we supplied our products to the airline cargo segment, which is an interesting addition to our opportunity canvas.

These achievements helped in reporting a commendable performance in FY22 with a 22% topline growth. The bottomline though was lower than the previous year by 21% primarily owing to the inflationary environment that prevailed through the period under review.

Whether it is a conventional internal combustion engine vehicle, a hybrid or an electric vehicle they will all still have a lead acid battery inside to power the low voltage electrical requirements like the AC, power windows, power steering, audio system, navigation, locking-unlocking etc. The electrical features and amenities in modern vehicles are only increasing by the day. Lead acid batteries have matured so much over the past many years that they are the **safest and most dependable power source for critical functions within the vehicle, and they are here to stay.**

Even in the case of industrial batteries, the world's increasing need for technology, automation and uninterrupted communication is only increasing the demand for reliable power solutions.

Our established presence and leadership in many countries in the Indian Ocean Rim for industrial and automotive batteries reiterates our confidence in our world-class products. Armed with this expertise and experience we are focused on widening our global presence to the US and Europe markets as well.

We are also looking forward to initiating work on our battery recycling facility which would allow us to recycle both, the lead and the plastic - thereby reducing our environmental footprint considerably. At Amara Raja, we have always been proactive in our environmental endeavors, be it water treatment plants, rainwater harvesting, renewable energy generation or large-scale afforestation drives.

We look into the future with utmost optimism. We will bring in the power of disciplined creativity to find newer and newer ways to grow. We will seize these opportunities with determination.

We appreciate your support as we unpack new futures.

WARM REGARDS,
HARSHAVARDHANA GOURINENI
EXECUTIVE DIRECTOR - AUTOMOTIVE & INDUSTRIAL