

June 3, 2020

National Stock Exchange of India Limited
"Exchange Plaza",
Bandra – Kurla Complex,
Bandra East
Mumbai – 400 051
NSE Symbol: AMARAJABAT

BSE Limited
Corporate Relations Department,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001
BSE SCRIP CODE: 500008

Dear Sirs,

Sub: Media release

Please find enclosed herewith a copy of the media release being given out by Amara Raja Group on innovative Performance linked Annual Remuneration during COVID-19 Crisis.

The Company being a part of the Amara Raja Group, the above media release is submitted pursuant to Regulation 30 of SEBI(Listing Obligations and Disclosure Requirements), Regulations, 2015.

We request you to take on record and acknowledge the same.

Thank you,

Yours faithfully,

For Amara Raja Batteries Limited

RAJARAM
RANGANATHAN
HAN MOSUR

M R Rajaram
Company Secretary

Encl.: as above

Amara Raja Group announces innovative Performance-linked Annual Remuneration during COVID-19 Crisis

- ***Promoters holding Managerial positions have voluntarily agreed for up to 50% reduction from their total remuneration for FY2020-21***
- ***10%-25% graded temporary compensation reduction for staff and management team; amount kept aside as 'Business Performance-linked Pay', to be rewarded back in the event of satisfactory business recovery and performance***
- ***No salary reduction for workmen and trainees***
- ***Measures meant to manage the impact of COVID-19***

Hyderabad, June 3, 2020: The Amara Raja Group – amongst India's leading business conglomerates with interests spanning varied verticals – announced a series of innovative measures in managing the impact of COVID-19 in the upcoming months.

Worldwide, the coronavirus pandemic has disrupted lives and livelihoods. Current estimates indicate India's GDP will contract between -5% and -7%. The Group has been continuously monitoring these developments closely. Due to the repeated lockdown extensions and extremely calibrated reopening of businesses, the fallout of migrant labour challenges, extra precautions and social distancing norms now emerging as the new normal, the Group expects demand contraction in specific customer segments, market volatility and resultant uncertainty in the months ahead. Therefore, while the organisations in the Group are hopeful the economy will rebound sooner than later, the Management is constrained to take all possible measures in keeping the liabilities low.

Said **Jaikrishna B, President (Group HR) – Amara Raja Group:** *"Our philosophy of putting people first guides the Group at all times, and we always acknowledge that the fortunes of our people revolve around the fortunes of our businesses. Considering the unprecedented uncertainty, we believe each one of us at the Amara Raja Family must contribute collectively in bouncing back from this adversity. The announcement of an innovative 'Business Performance-linked Pay' scheme is a measure of creating a winning proposition for both our People and Businesses. The scheme aims at rewarding employees in the next financial year if the businesses recover and get back to the required levels of performance. As always, our motto remains, 'Gotta be a better way'. Thereby, the announcement of this scheme makes it better for everyone."*

Taking note of the extraordinary circumstances and the uncertainty in the business environment, Amara Raja Group Promoters holding the office of Managing Director in various businesses have voluntarily agreed for up to 50% reduction in their total remuneration for FY2020-21. Regarding the staff and management employees, it has been decided to restructure the existing CTC by bringing in a graded reduction of 10% to 25%. This will be applicable for the junior and senior levels and the reduced amount will be reconstituted as 'Business Performance Linked Pay' (BPLP) in the compensation structure for the balance ten months of FY2020-21. If the business meets satisfactory levels of recovery and performance, the reduced amount will be rewarded back to the employees as BPLP.

This application of BPLP will be only for staff and management grade employees. Employees in workmen grade and all category of trainees will be paid the full CTC without reductions. Also, staff employees below a certain threshold salary will be paid the full CTC and no reductions will be applicable.

For Immediate Release



Increments and revisions in compensation for FY2020-2021 are being deferred for all categories of employees. Nonetheless, performance appraisal of all employees will be carried out and completed in due course.

To reiterate, for each business unit, financial performance goals will be outlined for FY2020-21 in administering the BPLP. If the required levels of financial goals are achieved, the proportionate amount of BPLP will be paid – based on the actual levels of recovery and performance of all the employees, including the Promoters of the Amara Raja Group.

Additionally, the Management is aggressively looking at opportunities for managing overall costs with appropriate austerity measures while enabling the organisation to navigate through these uncertain times.

About Amara Raja Group

Amara Raja is amongst India's leading business conglomerates with interests spanning verticals from the production of lead-acid batteries (AMARON brand), power conversion products, sheet metal products, precision components, electronic manufacturing services, Infrastructure Development, industrial services to food processing. Amara Raja Group of companies with their flagship company Amara Raja Batteries Ltd are one of the largest manufacturers of Automotive and Industrial batteries in India. Amara Raja Group employs a workforce of more than 16,000 people.

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