

Maldives  
February 2, 2016

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**Scrip Code: 500008**

Dear Sirs,

**Sub: Media release**

Please find enclosed herewith a copy of the media release being given out by the Company.

Thanking you,

Yours faithfully,  
**For Amara Raja Batteries Limited**



**M R Rajaram**  
**Company Secretary**

Encl.: as above



**Amara Raja Batteries clocks HIGHEST EVER QUARTERLY Revenue and PBT.**

- » Revenue of Rs.1,225 crore
- » PBT of Rs. 204 crore
- » PAT of Rs. 136 crore

**Maldives – February 2, 2016:** Amara Raja Batteries Limited, India's leading Industrial and Automotive Battery major (**BSE:500008 & NSE Code: AMARAJABAT**) today reported net sales (excluding other income) of Rs. 1,225 crore in Q3 FY 16 (Rs.1,059 crore) - a 16 % growth.

For the quarter ended December 31, 2015

Rs. in crore

| Particulars                        | Unaudited financials for the quarter ended |                   | Audited financials for the year ended |
|------------------------------------|--------------------------------------------|-------------------|---------------------------------------|
|                                    | December 31, 2015                          | December 31, 2014 | March 31, 2015                        |
| Net Sales (excluding other income) | 1,225                                      | 1,059             | 4,210                                 |
| Profit Before Tax (PBT)            | 204                                        | 156               | 610                                   |
| Profit After Tax (PAT)             | 136                                        | 102               | 411                                   |

The **Automotive battery business** continued its growth across all verticals. The four wheeler batteries volumes grew phenomenally in the replacement battery segment in both of our preferred brands of Amaron® and PowerZone™. Significant investment in brand building was initiated during the quarter, which further aided in the growth of the aftermarket business. The business also started making deeper penetration in areas, which hitherto, were considered the domain of the unorganised sector. The volume growth momentum in two wheeler batteries in both Amaron® and PowerZone™ brands continued, further adding to the performance of the business unit.

During the quarter, sale to OEM sector grew aided by growth in the OEM production of automobiles. Our growth in aftermarket and OEM beyond the industry growth helped us in gaining market share in both four and two wheeler segments. We continued our trading operations in tubular batteries to sustain the growth, during a quarter which is treated as an offseason for the inverter business.

The Company's **Industrial Battery business** registered double digit growth over Q3 of the previous financial year, in a challenging & competitive market conditions.

The growth in demand from telecom sector is primarily driven by data growth and the drive for energy optimization by Tower Companies. The demand for UPS batteries is moderate.

Amidst these challenges, the industrial battery business improved the overall performance by virtue of its "preferred supplier status" with all major customers, efficient after sales service, customer relationship management, optimal product mix and consistent product performance of its flagship brands PowerStack®, Quanta® and QRS Series batteries.

Commenting on the Q3 performance, **Mr. Jayadev Galla, Vice Chairman & Managing Director, Amara Raja Batteries Limited** said, "We are delighted to report yet again the highest revenue and profit for a quarter. Our timely decision to expand the four wheeler and two wheeler battery capacities have begun to pay off. We are steadily and aggressively increasing our market share in both B2B and B2C segments of automotive batteries business and expect to achieve greater market share soon. Industrial batteries business is quite stable with robust margins. We are endeavoring to launch new products for new applications soon. The ramping up of capacities in various plants is quite steady and faster than anticipated which augurs well for the company encouraging us to plan further expansion of capacities at the earliest. While doing so, we are conscious of the changing situation in terms of availability of uninterrupted power through increase in generation of power throughout the Country, which we welcome as they throw up new challenges and opportunities as well for improving the business. We are constantly evaluating the impact of this changed situation. We are also looking at new technologies in energy storage space through which we would be realigning our business strategy.

Commenting on the Q3 performance, **Mr. S V Raghavendra, Chief Financial Officer**, said, "During the quarter, cost of major raw materials have sharply declined. Further efforts taken by the operations team have helped in lowering the conversion costs in various plants. However, the raw material price gains were partly offset by sharp depreciation of rupee against dollar. Overall, with the increase in sales volumes –especially in four wheeler batteries aftermarket business and better realisation from customers due to superior quality of product and services in both automotive and industrial battery businesses, the EBITDA and PBT margins have shown good improvement during the quarter. The operating cash flow generation remained strong driven by stringent internal financial and working capital controls. . The new greenfield tubular battery plant is expected to be commissioned before end of this financial year. However keeping in view the improving power situation in the country, the plant is redesigned with a strategic intent and made fungible to produce products for different applications. Further expansion plans will be decided before end of this financial year. The Company continues to be debt free and have healthy liquidity position"

#### **About Amara Raja Batteries Limited**

Amara Raja Batteries Limited, a company with 26% equity each from Galla Family and Johnson Controls Inc, USA, is the technology leader and is one of the largest manufacturers of lead acid batteries for both industrial and automotive applications in the Indian storage battery industry.

In India, Amara Raja is the preferred supplier to major telecom service providers, Telecom equipment manufacturers, UPS sector (OEM & Replacement), Indian Railways and to Power, Oil & Gas among other industry segments. The industrial battery brands of Amara Raja are PowerStack®, AmaronVolt™ and

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Quanta®. Amara Raja is a leading manufacturer of automotive batteries under the brands - Amaron® and Powerzone™, which are distributed through a large pan-India sales & service retail network.

The Company supplies automotive batteries under OE relationships to Ashok Leyland, Ford India, Honda, Hyundai, Mahindra & Mahindra, Maruti Suzuki, and Tata Motors. The Company's Industrial and Automotive batteries are exported to countries in Indian Ocean Rim.

**Johnson Controls** is a global leader in Power Solutions, Automotive Interiors and Building Efficiency. Johnson Controls provides batteries for automobiles and hybrid electric vehicles, along with system engineering and service expertise. The Company provides innovative automotive interiors that help driving more comfortable, safe and enjoyable. For buildings it offers products and services that optimize energy use and improve comfort and security. Johnson Controls (NYSE: JCI), founded in 1885, is head quartered in Milwaukee, Wisconsin. Its net sales for the year ended September 30, 2015 is US\$ 37.18 billion.

#### **Safe Harbor**

*Some of the statements in this news release that are not historical facts are forward looking statements. These forward looking statements include our financial and growth projections as well as statements concerning our plans, strategies, intentions and beliefs concerning our business and the markets in which we operate. These statements are based on information currently available to us, and we assume no obligation to update these statements as circumstances change. There are risks and uncertainties that could cause actual events to differ materially from these forward looking statements. These risks include, but are not limited to, the level of the market demand for our products, the highly competitive market for the types of the products that we offer, market condition that would cause our customers to reduce their spending for our products, our ability to create, acquire and build new businesses and to grow our existing businesses, our ability to attract and retain qualified personnel, currency fluctuations and market conditions in India and elsewhere around the world, and otherwise not specifically mentioned herein but those that are common to industry.*