

Chairman and MD's Communique



Jayadev Galla

Chairman and Managing Director
Amara Raja Energy & Mobility Limited

Dear Shareholders,

As I reflect on another transformative year at Amara Raja Energy & Mobility, I am filled with both pride in our achievements and excitement for the journey ahead. In the fiscal year 2024-25, through the Amara Raja Way, we truly embodied our theme of Accelerating Responsibly by pursuing ambitious growth, steadfastly committing to sustainability, innovation, and creating value for all stakeholders.

Our success in the fiscal year 2024-25 was built on the strength of a diversified business portfolio. Our automotive lead-acid battery business achieved strong growth in both domestic and international markets, reflecting the exceptional quality and trust our products command. Today, our global footprint extends to over 60 countries, including major markets in Europe and North America.

A Legacy Built on Innovation and Trust

When we founded Amara Raja more than four decades ago, our vision was clear: to become India's trusted partner in energy solutions. Since the beginning, we have prioritised national interest by supporting telecom and power infrastructure, building a top brand for mobility with reliable lead-acid batteries, and consistently adapting to the changing needs of customers and society. Today, as we stand at the threshold of a new energy era, our founding spirit of innovation continues to guide our decisions.

As a comprehensive energy and mobility solutions provider, we are actively leading India's transition towards sustainable transportation and energy storage. Our diversified portfolio spans traditional lead-acid batteries, advanced lithium-ion technologies, and emerging energy storage solutions, positioning us at the forefront of the energy revolution.

Financial Performance: Strength Amidst Challenges

I am pleased to report that fiscal year 2024-25 was marked by robust financial performance across all key metrics. We achieved consolidated revenue from operations of ₹12,846 crores,

representing a healthy growth over the previous year. Our consolidated profit after tax stood at ₹945 crores, reflecting disciplined cost management and a strategic focus on profitability. This is especially commendable given the challenging global economic environment, which included supply chain disruptions, volatile commodity prices, and geopolitical uncertainties.

This financial strength provides us with the flexibility to pursue strategic investments while maintaining our commitment to sustainable growth.

Strategic Diversification and Market Leadership

Our success in the fiscal year 2024-25 was built on the strength of a diversified business portfolio. Our automotive lead-acid battery business achieved strong growth in both domestic and international markets, reflecting the exceptional quality and trust our products command. To keep pace with rising demand, we are actively expanding production capacity. Today, our global footprint extends to over 60 countries, including major markets in Europe and North America.

The industrial battery business showed remarkable resilience, with strong performance in UPS applications. Despite challenges in the telecom segment as market transitions to lithium-ion, we continue to pursue growth through investments in alternate technologies and advanced lead acid batteries to meet demand for various industrial applications.

In our new energy business, we continue to forge strategic partnerships across the battery value chain with key vendors, strategic OEMs and technology partners, helping us to strengthen our efforts in building India's domestic cell manufacturing ecosystem and supporting the nation's transition to electric mobility. We recognise that partnerships are essential for accelerating energy transition and our focus remains on creating long-term relationships that contribute to building a self-reliant and sustainable new energy ecosystem.

Innovation at the Heart of Our Future

Our new energy business made significant strides towards making India self-reliant in Advanced Chemistry Cell technology. Our Research and Innovation facility - E-positive (e+) Energy Labs near Hyderabad airport, and the Customer Qualification Plant at Divitipally, Telangana, are progressing on schedule and will significantly enhance our product development capabilities.

The development of our in-house 21700 cylindrical NMC cell technology demonstrates our capability to develop world-class products in India. We continue to build on these capabilities to enable us to meet growing demand for lithium-ion batteries across automotive, energy storage, and industrial applications.

We also commenced the construction of Gigafactory (Giga-1) at the Amara Raja Giga Corridor which represents our commitment to realizing India's ambition for energy security.

As we look toward fiscal year 2025-26 and beyond, I am excited about the opportunities that lie ahead. India's energy and mobility sectors are undergoing unprecedented transformation, driven by government support, shifting consumer preferences, and technological advancements. We are well positioned to capitalise on the growing electric mobility market and the broader automotive industry growth.

Sustainability as a Competitive Advantage

Our commitment to environmental stewardship continues to yield impressive results. We achieved a 19% reduction in absolute emissions and a 43% reduction in emission intensity, moving closer to our net-zero plan. Over 25% of our energy requirement is met through renewables. We have become 12x water positive through Zero Liquid Discharge systems and community water restoration initiatives.

Our circular economy initiatives through Amara Raja Circular Solutions are gathering momentum and a state-of-the-art lead-acid battery recycling plant has commenced its commercial operations. We are committed to further increasing the use of recycled material in our production processes, thereby building a sustainable competitive advantage while contributing to environmental conservation.

These sustainability efforts have earned significant recognitions, including a CDP B rating for climate action, an improvement in the S&P CSA score from 28 to 74, an NSE ESG rating of 69, and several awards for sustainability leadership. These achievements validate our approach to responsible business practices.

Investing in Our People and Communities

Our people remain our greatest asset. During the year, we continued investing in talent development and workplace safety. We maintained zero fatalities and achieved a reduction in Lost Time Injury Frequency Rate. Our Personal Vitality Program and comprehensive safety training initiatives, including Defensive Driving Techniques training, demonstrate our commitment to employee wellbeing.

In the new energy business, we have focused on creating opportunities for local communities. At Amara Raja Giga Corridor, over 350 local women are employed and undergoing intensive training, reflecting our commitment to providing non-migratory employment opportunities.

Looking Ahead: Positioned for Energy Transition

As we look toward fiscal year 2025-26 and beyond, I am excited about the opportunities that lie ahead. India's energy and mobility sectors are undergoing unprecedented transformation, driven by government support, shifting consumer preferences, and technological advancements. We are well positioned to capitalise on the growing electric mobility market and the broader automotive industry growth.

Our strategic investments in lithium-ion technology, combined with a strong foundation in lead-acid batteries, position us uniquely to lead this transition. Even as the collective efforts of Government, Industry and academia push towards establishing a domestic cell manufacturing ecosystem, uncertainties in global supply chains due to geopolitical factors present certain unique challenges.

At Amara Raja, we recognise these challenges and continue to navigate them by partnering with relevant stakeholders, and adopting a resilient and flexible approach.

The first phase of our Gigafactory is expected to become operational in 2027, an important step toward our goal of becoming India's leading lithium-ion battery manufacturer while supporting the Government of India's vision of Atmanirbhar Bharat. This alignment of organisational aspirations with national interests drives our commitment to reducing India's dependence on imports and building indigenous capabilities in critical battery technologies.

Commitment to Stakeholder Value

As we accelerate our growth, we remain committed to creating value for all our stakeholders. For our shareholders, we will continue to deliver consistent returns through prudent capital allocation and disciplined growth strategies. For our customers, we will maintain our focus on quality, reliability, and innovation. For our employees, we will provide opportunities for growth, learning, and meaningful contribution to the Global energy transition and India's growth & development.

Gratitude and Forward Vision

As we conclude fiscal year 2024-25, I want to express my heartfelt gratitude to all our stakeholders. To our shareholders, I extend my deepest appreciation for your continued trust and support during this exciting period of transformation. To our customers, we are grateful for choosing Amara Raja as your partner in energy solutions. I extend my appreciation to our employees whose dedication, innovation and unwavering commitment to excellence drives us forward. I also thank our partners and suppliers for collaborating with us as we work together to build a stronger and more sustainable future.

The road ahead presents equal measures of opportunity and challenge. India's commitment to achieving net-zero emissions by 2070, along with the growing adoption of electric vehicles and renewable energy, creates unprecedented possibilities for companies like ours. We are well-positioned to be a key enabler of this transition, providing the energy storage solutions that will power India's sustainable future.

Thank you for your continued support and confidence in Amara Raja Energy and Mobility.

Warm regards,

Jayadev Galin

Chairman and Managing Director
Amara Raja Energy & Mobility Limited