“Running profitable businesses and being socially responsible are not mutually exclusive”

Mr. Jay Galla,
Managing Director
Amararaja Batteries Ltd

AMARARAJA GROUP

With a turnover of more than Rs. 3000 crores and over 7500 employees, We at Amararaja Group believe in influencing and improving the quality of life by building institutions that provide better access to better opportunities, goods and services to people all the time. We believe in taking responsibility for whatever we do; within and beyond the company. Our vision is to create communities that are economically and socially vibrant to stimulate growth and self-reliance. In keeping with this commitment, we’ve dedicated ourselves to achieve Village Transformation through social activities in the areas such as Education, Employability, Rural Infrastructure, Community Development, women empowerment and Environment care.
Promoted by the Galla family in 1983, the Amara Raja Group has all its state of art manufacturing facilities located in remote villages in Chittoor District of Andhra Pradesh. The Group’s flagship company Amara Raja Batteries Limited has the leadership position in both Industrial and Automotive Batteries. Its member companies have their presence in Power Electronics (Amara Raja Power Systems), Precision Products, fabrication, Plastics and Processed foods, Pulp & Beverages (Mangal Industries Ltd) Electronics & Home appliances (Amara Raja Electronics), Infra (Amara Raja Infra), and Services (Amara Raja Industrial Services).

Empowering the society

1) This report highlights the CSR activities of the Amara Raja Group in Chittoor district, where the primary manufacturing facilities of the Group exist in 4 locations, KARAKAMBADI, PETAMITTA, RANGAMPETA and DIGUVAMAGHAM. Rajanna Trust is termed as the Organic link of Amara Raja Group’s Corporate Social Responsibility activities. Rajanna Trust strives to ensure fair and equitable participation of rural households in National Development. To achieve its objectives Rajanna Trust, focuses to give equal access to all in the community towards health care, quality education, skill development training, employment, equal remuneration & safety. Rajanna Trust, the CSR wing of Amara Raja group has emphasized on creation of Social Infrastructure in Rural villages of Chittoor Dist, by building better amenities for rural population,
resulting in achieving inclusive growth and inspiring **NON- MIGRATORY** living in this region.

2) Established in year 1999, Rajanna Trust is extensively working in **Chittoor district** and also has extended its help for the Oct’09 flood affected villagers in Kurnool by joining hands with CII in building 4 nos common weavers sheds as principal sponsor and contractor in completing the project at Nagaladinne village.

**Objectives**

- To promote Integrated Rural Development, by building infrastructure
- To promote the Research & Development in Agriculture & Farming
- To work towards women employment and empowerment
- To promote Education, Art and Cultural Activities among the Rural Public
- To provide for youth employability by enhancing skills and tech. education
- To work for village sanitation, healthy life style promotion and environment
- To recognize & reward eminent Personalities/Institutions who have contributed to above cause and objectives and have been engaged in Social transformation

**Efforts and Results:**

In line with its objectives, Rajanna Trust has completed various community projects influencing the local people and benefitting them at large. A summary on the programs and projects undertaken and completed by Rajanna Trust since its inception in 1999 are summarized below:

**Rs. In Lakhs**

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Amount (in Lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Contribution to Educational purposes</td>
<td>402.62</td>
</tr>
<tr>
<td>2. Utilities</td>
<td>80.57</td>
</tr>
<tr>
<td>3. Infrastructure</td>
<td>56.02</td>
</tr>
<tr>
<td>4. Road Works</td>
<td>26.86</td>
</tr>
<tr>
<td>5. Agriculture &amp; Minor Irrigation works</td>
<td>375.67</td>
</tr>
<tr>
<td>6. Environment - Eco Project</td>
<td>36.50</td>
</tr>
<tr>
<td>7. PHC Project</td>
<td>150.00</td>
</tr>
</tbody>
</table>

**Total** : 1128.24
Rajanna Trust, the CSR wing of Amara Raja group has initiated & invested in various programs to uplift the living conditions of the people in Chittoor District . It has identified the following key areas for its social contributions –

**Education**

Rajanna Trust, the CSR wing of Amara Raja group runs two schools, one in Karakambadi one in Petamitta. A World Class Skill Development facility meeting with international standards to train the rural youth is proposed to start by the academic year 2013 in Petamitta. Rajanna Trust, has proposed to the Government of Andhra Pradesh and Central Government to partner and support this mission that can meet the growing demand for Quality trained personnel for the Indian Industry. The land about 100 acres has already been acquired and work has started on this ambitious project. Apart from these, Rajanna Trust also supported Govt. Colleges at Pakala, Chandragiri, Chittoor & Tirupati for the required infra support like toilet blocks etc. Rajanna Trust, has spent **Rs.402.62 lakhs** on these projects till 31st Mar’12.

![Image](image.png)

**Utilities / Drinking Water**

Drinking water supply to both Diguvamagham and Petamitta Villages in Chittoor District is now being through Overhead tanks because of the efforts of Rajanna Trust in collaboration with the Government. In the year 2011-12 Rajanna Trust, has completed the project of supplying purified drinking water in both these villages and has spent **Rs.80.57 Lakhs**, benefiting around 700 house holds with mineral water.
**Infrastructure**

Rajanna Trust constructed buildings for Bank and Telephone exchange in Diguvamagham and Petamitta villages in Chittoor District. Rajanna Trust, has also constructed bus shelters, toilet blocks and visitor’s room in Puthalapattu police station. In addition to these, Rajanna Trust built community facilities for the use of general public, like laying of roads, construction of Kalyana Mandapam (Marriage Hall), Rice Mill etc. The amount spent on these projects so far is **Rs.56.02 lakhs**.

**Road works / Village development**

Rajanna Trust has undertaken major initiatives representing the Amara Raja Group for the development of the surrounding villages that include construction of internal roads, rainwater storage tanks, and supply channels among many others. Rajanna Trust, was active partner in the company sponsored CSR initiatives that encapsulated all these initiatives under the program named “Grameena Vikasam” by adopting villages under Amaragaon project. The Amaragoan villages are equipped with access to internet and related communication systems whereby the rural people will be able to be in touch with the live world matters like, market information, political happenings and access to better technology etc.

Rajanna Memorial at Diguvamagham is a model facility established on these line, housing Internet center, library, Amphi Theater, children’s play area and a public entertainment cum Refreshment Park. It has spent **Rs.26.86 lakhs** for these activities.

**Agriculture & Irrigation Infrastructure**

Every year Chittoor district receives erratic rainfall, and due to lack of any perennial river running through the district, agriculture here is totally dependent on rain water & ground water. To help the farmers of the region on better cultivation, Rajanna Trust has constructed around 23 check dams and deepened 6 existing Lakes, Ponds and other water sources. This helped to enhance the ground water level in this region of the District leading to an increased availability of water for irrigation. Thousands of Acres were brought under irrigation and farmers across 50 villages of Chittoor district benefited by this program.

Regular training programs and awareness programs are provided to the farmers through Rajanna Trust. These include the introduction of modern farming technologies, use of fertilizers and pesticides, harvesting techniques, transport and storage of agricultural produce. Rajanna Trust, spent **Rs.375.67 lakhs** for these activities.
**Environment – Eco Project**

Green Cover: Collector Chittoor district allotted 232 acres of barren hillock at Pemmgutta, Puthalappatu Mandal of Chittoor District, spread over 3 villages near Petamitta, to Rajanna Trust & District Social Forest Officer (Social Forestry) to take up Social Forestry Program to develop a model project of Soil Conservation and Vegetative regeneration. Under this program Rajanna Trust, the CSR wing of Amara Raja group started planting of around 50000 plants over a period of 5 years and till last year around 36000 plants of various species were planted. Every year, school children, local villagers, university students and people from various walks of life are invited for the tree plantation program that is organized during the monsoon season. In addition to this, the local communities and the school children would be given education and be made responsible for the nurturing of the plants as their contribution towards the environment.

This forest cover also provides shelter to around 40 Tribal families who are encouraged to make their living from Forest produce. In pemmgutta 25 families have already moved and have been rehabilitated with the help of the Government scheme. Rajanna Trust, has spent **Rs.36.50 lakhs** on this project.

**Health (New Project)**

Rajanna Trust, the CSR wing of Amara Raja group coordinated the opening of two hospitals, one veterinary and one PHC (primary Health Center) in Petamitta. The PHC of Talapunenivari Palle (Petamitta) with 3 sub-centers serving the medical services for 42 villages attached to it was the result of Rajanna Trust’s efforts. Amara Raja Group has provided the necessary infrastructure for these Medical Centers. The Government of Andhra Pradesh has entered into an MOU with Rajanna Trust to develop and manage the Primary Health Center at Talapulenanivari Palle (Petamitta) with effect from 1st Oct’11 and passed GO accordingly. Rajanna Trust, the CSR wing of Amara Raja group started investing in infrastructure here in phased manner to build and operate inpatient facilities and also work on providing specialist doctors services under this Public Private Partnership (PPP) model. Amara Raja group, through the Trust has spent about **Rs. 150 lakhs** (Rs.118.40 lakhs spent up to 31.03.2012) for the Hospital (PPP model) in Talapunenivari Palle. Every year Blood Donation Camps involving Employees, their families and villagers is organized on Oct 21st commemorating the anniversary of legendary Sri Rajagopal Naidu, the inspiration behind Amara Raja Group.

**ARTS: Amararaja Training Scheme (a case study)**
Amara Raja’s success is mainly attributed to its Human Resource Management practices. “Human Development” to us is putting people at the centre of development. Keeping in perspective that 54% of our population is youth, the group has invested in providing employable skills with value based education and on the job training.

Amara Raja Training Scheme (ARTS) aims to train the youth with employable education and practical skills training, so as to make them stand on their own feet and be employable. This training aims to help the youth in the neighborhood community acquire technical / industrial skills or enriching their technical / industrial skills so as to enable them earn their livelihood through employment in appropriate industry.

The scheme was commenced in the group companies on 1st February, 2007, with an objective of imparting training to individuals with or without technical qualification, both in technical and non-technical fields in order to enable them to acquire the necessary skills to enhance their career opportunities / employability.

Youth between 17 to 30 years and those who satisfy the prescribed physical and academic standards are enrolled as trainees under the scheme. The academic classification is as follows: i) SSC, ii) Inter Pass / Fail, iii) ITI Pass / Fail. The period of training is for 24 months during which the trainees are paid a trainee stipend. In addition to the stipend, a special attendance allowance is also paid to the trainees, to encourage good attendance and learning. Beyond the stipend and the attendance allowance, they are also provided
some benefits/allowances for undergoing training in some specific work areas and also an additional night shift allowance if they have to be trained during night shift hours.

Under the ARTS program, the 24 month training comprises of two phases:

a) On the Job Training
b) Class Room Training

On the Job Training: The trainee is placed at shop floor for learning / acquiring the skills under the able guidance of senior operator / Engineer.

Class Room Training: The related skill information/ knowledge in the form of different modules, categorized sector-wise is taught by expertise internal / external technical faculty.

ARTS training scheme encompasses the following for all the trainees:

1. Basic training in a) Mechanical, b) Electrical, c) Electronic and d) Plastic sectors.
2. The On the Job Training is provided on a) Safety, b) Operation (machinery & equipment), c) Product Process, d) Quality Checks, e) exposure towards work environment.
3. Under Advanced Training the scheme allows a) Refresher Training, b) Training on updated skills.
4. Class room training has the Modular Training structure.

At the end of the training, trainees are subjected to appear for Final Module Exams and a % of mark is set to them for a pass as part of their learning evaluation. In the process, the trainees are assessed for their aptitude, general attitude and ability after the training. A course completion certificate is issued to all the trainees who pass in the final module exams. Trainees who do not acquire the skills and knowledge completely by the end of the training, may, at the sole discretion of the company, be continued with further training on the willingness of the trainees to undergo such further training.

This CSR initiative is purely focuses on youth empowerment by imparting employable skills within. This scheme does not enforce either on the company or on the trainees any obligation to provide / take up employment with the company up on completion of the training period or thereafter. Employment with the company is at the individual discretion or continues to be as per the company’s recruitment norms.

The Skill Development Center, part of the company’s HR system, imparts continuous learning in Technical and soft skills for employees & workmen of the group at various levels.
The ARTS was commenced on 1st Feb’2007 and till 2012, total 2250 young persons were trained under this scheme. Total 12 batches have passed out and the 13 batch is under session. 2050 out of 2250 trainees have passed the final module putting the percentage of passouts around 90%. The group has pride in stating that all this 2050 young talent has found employment in the Group rolls based on vacancies available.