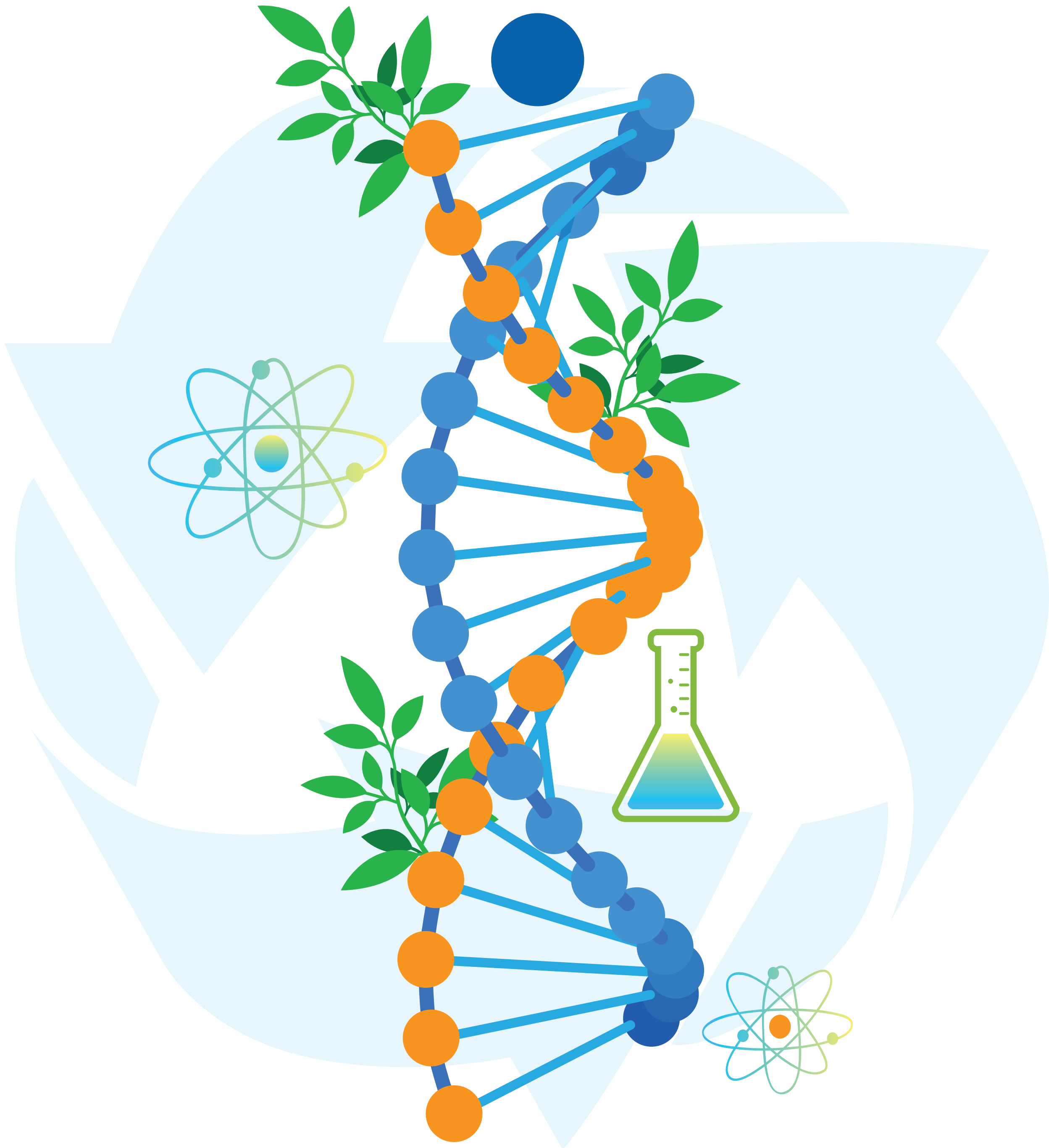
Inspired by Science



RESPONSIBLE GROWTH

for a better tomorrow

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01. INTRODUCTION

Presenting our FY23 Annual Integrated Report, a comprehensive communication medium addressing all stakeholders. This report provides a transparent depiction of our strategy, business model, performance, and outlook, encompassing significant financial, economic, social, and governance aspects.

PURPOSE	VISION
Reimagining a healthier planet	To lead with science, technology, and human ingenuity to create transformative solutions in life sciences

VALUES

Courageous
- Think and act boldly
- Act with integrity
- Be accountable

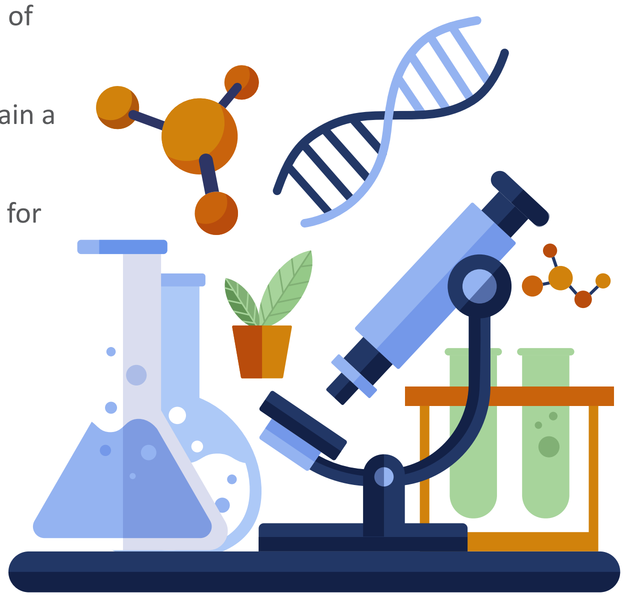
Curious
- Question conventional wisdom
- Be open-minded
- Develop intellectual curiosity

Creative
- Connect unseen dots to differentiate
- Collaborate and experiment
- Create an environment to execute ideas with speed and excellence for skills

Caring
- Be transparent
- Trust each other
- Bring the best out of people
- Embrace sustainability

ENHANCED CAPABILITIES

- **Partner-centric:** Pioneering the identification and fulfillment of unmet needs for our valued customers and partners
- **Science & Technology Driven:** Spearheading sustainable solutions through early adoption of cutting-edge sciences and technologies
- **Digital Edge:** Integrated digital solutions to gain a competitive advantage
- **People First:** Creating the best opportunities for employees to learn, grow, and thrive
- **ESG Anchored:** Embracing ESG as an integral part of our organizational DNA

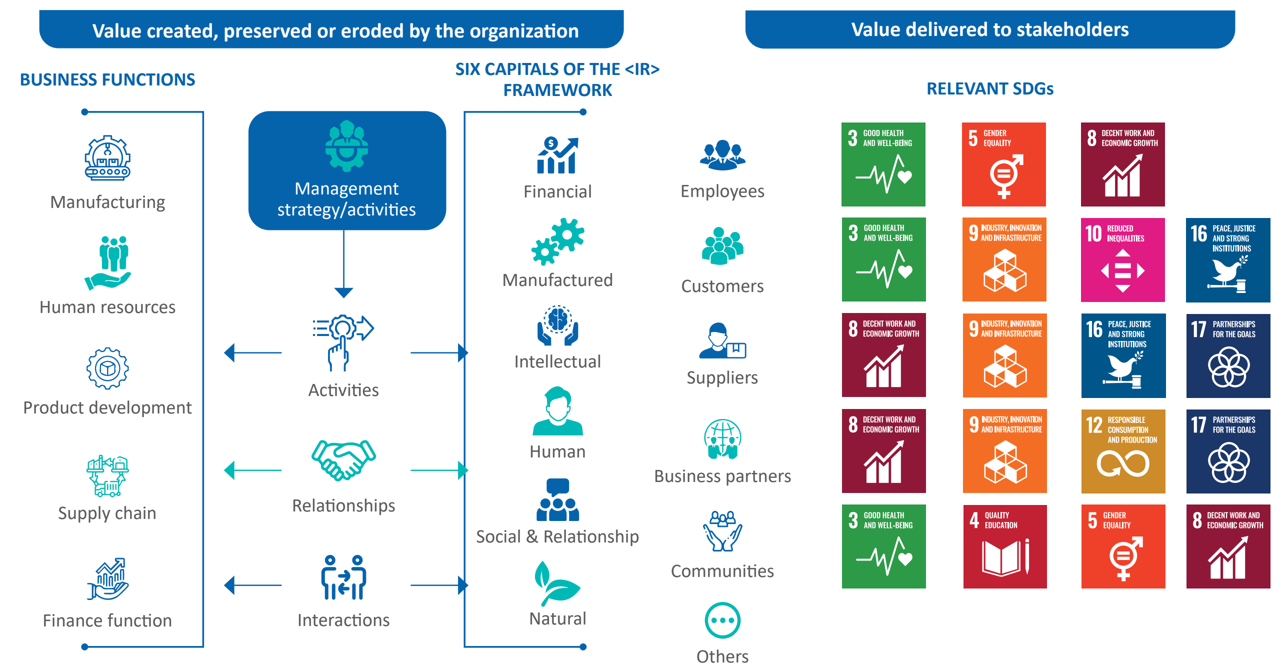


Our approach to reporting

In line with our commitment to transparency and responsible growth, PI has embraced the international Integrated Reporting Framework this year. This transition signifies our dedication to a holistic approach in communicating our strategy, governance, performance, and prospects within the external landscape. Our report highlights the impact of our decisions on stakeholders, while emphasizing the creation, preservation, or erosion of value in the short, medium, and long-term. By fostering increased transparency and accountability, we strive to enhance stewardship for the resources we work with, embodying our pursuit of a better tomorrow.

The <IR> Framework includes six categories of capitals or values of stock or available resources with the help of which organizations can create value through their business activities. This process of creating value, whether in the short, medium, or long-term has an impact on the external environment right from providers of financial capital to supply chain partners to local communities. This measure of value created, preserved, or eroded by the organization is inextricably linked to other stakeholders, society, and the natural environment.

Value creation process



> This process of creating value, whether in the short, medium, or long-term has an impact on the external environment right from providers of financial capital to supply chain partners to local communities.

Value creation and the <IR> Framework

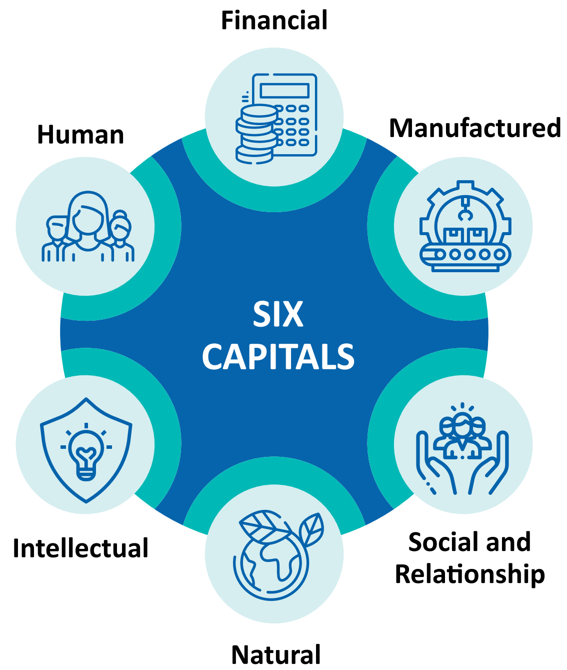
The six capitals of value creation at PI are given in the section on our Business Model in subsequent sections. Our report meticulously examines the impact of our business activities and resulting outputs on the values of these essential capitals. The comprehensive analysis is structured around eight key content elements, illuminating the intricate process through which value is created or eroded. Throughout the preparation and presentation of our disclosures, we have adhered to the seven guiding principles outlined by the <IR> Framework, ensuring a robust and transparent approach.

Content elements

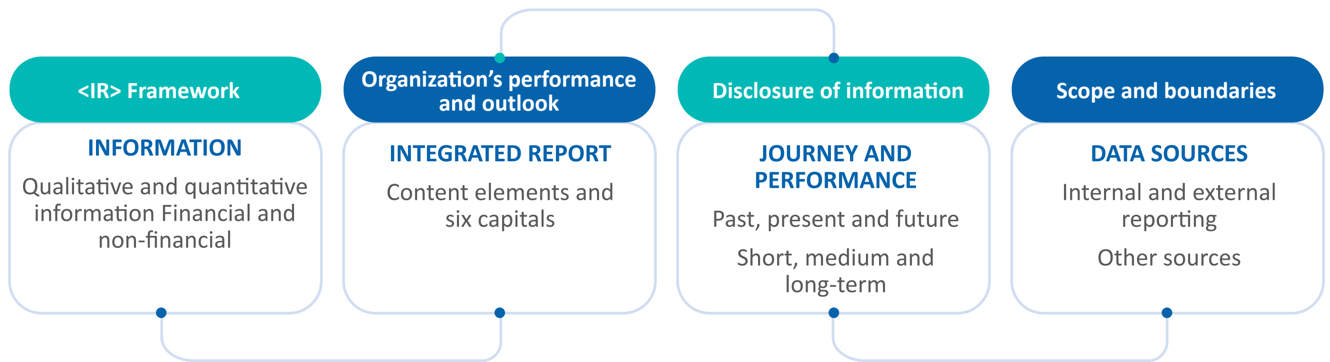
- Organizational overview and external environment
- Governance
- Business model
- Risks and opportunities
- Strategy and resource allocation
- Performance
- Outlook
- Basis of preparation and presentation

Guiding principles

- Strategic focus and future orientation
- Connectivity of information
- Stakeholder relationships
- Materiality
- Conciseness
- Reliability and completeness
- Consistency and comparability



The report also presents key performance indicators and the context within which they are measured to present a complete picture of our business activities.



Working towards **Responsible Growth for a Better Tomorrow**

Responsibility is a sense of the past coupled with an insight into the future while being rooted in the present. Growth is responsible only when it is sustainable and is mindful of future generations. Responsible Growth for a Better Tomorrow has been the underlying philosophy of PI Industries Limited ever since its inception 76 years ago. Today, in an era where environmental sustainability is becoming increasingly crucial, businesses across various industries are recognizing the need to incorporate sustainable and responsible practices into their operations. PI Industries considers responsible growth and sustainability as two sides of the same coin. Both are here to stay encompassing every aspect of corporate value creation and earning recognition in the capital markets.

The key to PI's success story over the last 76 years has been our ability to consistently adapt and innovate ourselves, and sustainability is, first and foremost, an innovation and growth opportunity for the chemicals industry; therefore, identifying market-backed opportunities for green growth is a key value driver. This, coupled with the industry that we operate in, puts us in a position of responsibility in charting an era where agricultural productivity is multiplied through climate-positive means. PI's approach to Responsible Growth is built upon five dimensions that are integrated through progressive organizational policies and proactive actions:

- **Environmental Stewardship**
- **Ethical Governance**
- **Social Responsibility**
- **Innovation and Research**
- **Supply Chain Sustainability**

Creating responsible growth for a better tomorrow requires sustainability to be an integral part of the strategy. This approach mandates bold moves. Over the coming years, PI will endeavour to make large-scale, complex decisions and redefine our portfolio of products, reallocating capital based on an increased focus towards climate resilience. We embrace our role as stewards of the environment, working towards a sustainable future that safeguards the well-being of the planet.

Last year, we reinvented our guiding corporate ideology: purpose, vision, values, and capabilities. This year, we redesigned our business strategy based on our philosophy to reflect an increased emphasis on ESG parameters. This involved revisiting and strengthening corporate policies and the systems that impact our stakeholders.

Our ambition is to chart out a growth path fueled by scientific and technological resilience. We have already embarked on a comprehensive set of initiatives. PI is heavily invested in R&D to develop greener chemistries. By leveraging advanced technologies and scientific expertise, we aim to minimize the environmental impact of our products and maximize their effectiveness in crop protection and nutrition.

Additionally, PI Industries is actively collaborating with farmers, industry experts, and research institutions, taking a community approach to promote sustainable farming practices and raising awareness about the importance of responsible agriculture. The Company is also implementing stringent quality control and safety initiatives across its operations to ensure the highest standards of safety and stewardship. There has been an organization-wide emphasis on employee well-being at a holistic level and diversity among our workforce. Furthermore, we are continuously monitoring our supply chain to measure, reduce and offset our carbon emissions while holding our suppliers accountable to ethical sourcing practices. Our R&D team has been involved in over 50 projects encompassing agro-chemistry, electronic chemicals, and product lifecycle management.

> "At PI, we firmly believe that sustainable growth is not just an option but a necessity for the future of our planet. We have committed to integrating sustainability into every aspect of our operations, guided by a triple-bottom-line approach: People, Planet, and Profit.

We have commercialized four new products in exports and seven new products in the domestic agri-business. Throughout this year, we brought two new process innovations to the Kilo Lab/Pilot Plant stage, marking a significant enhancement in process efficiency in large-scale production. This not only contributes to our product stewardship efforts but also leads to a decreased environmental impact, thereby encouraging the adoption of this technology for future endeavors. By leveraging this expertise in agrochemicals, we aspire to create and enter newer pathways in pharma and health sciences in the coming years.

At PI, we firmly believe that sustainable growth is not just an option but a necessity for the future of our planet. We have committed to integrating sustainability into every aspect of our operations, guided by a triple-bottom-line approach: People, Planet, and Profit. By prioritizing social responsibility, environmental stewardship, and economic viability, we strive to create long-term value for our shareholders while contributing to the well-being of society.

This year, as we present to you, our first-ever Integrated Report, we at PI Industries feel driven to usher in an era where we operate with purpose and promise **Responsible Growth for a Better Tomorrow!**

Foreword

It is with great pleasure and a sense of pride that we introduce the first-ever annual integrated report of PI Industries Limited. The thought behind our first Integrated Report is to give our stakeholders, shareholders, and well-wishers a holistic picture of our Company's overall performance encompassing financial, environmental, social and governance aspects. An Integrated Report also enables us as a Company to continuously evaluate ourselves against our core commitment to responsible growth for future generations. An Integrated Report is also a single window that gives everyone a shared view of all our activities, resource use and our relationships with multiple stakeholders that create long-term value that is sustainable in the medium to long term horizon. This report marks a significant milestone in our Company's journey towards sustainable and responsible business practices.

In today's rapidly changing world, the role of agrochemical and fertilizer companies in meeting the global demand for food, while also addressing environmental and social challenges, has never been more critical.

This report is also a reflection of our commitment to transparency, accountability, and the pursuit of long-term value creation. By combining financial performance, environmental stewardship, social impact, and governance practices in a single document, we aim to provide our shareholders and stakeholders with a complete view of our Company's impact on multiple dimensions of sustainability.

As an agrochemical Company, we understand and embrace our fiduciary responsibility in feeding the future and ensuring global food security. In a world grappling with the challenges of a growing population, climate change, and limited arable land, our role becomes even more critical. In this context, our responsibility to give a complete picture of our business and its relationship with a rapidly changing world is an imperative that cannot be underestimated. Reflecting this importance, our first Integrated Report is based on the theme of "Responsible Growth for a Better Tomorrow". We are committed to developing and providing innovative, sustainable, and environmentally responsible agrochemical solutions that enhance crop productivity while preserving our planet's resources.

At PI Industries, we firmly believe that sustainability is not just a term but a fundamental principle that drives our business and business models. Moreover, we are acutely aware of the global trends and emerging expectations surrounding not just environmental but also social, and governance performance.

Our report goes beyond financial metrics to reflect our commitment to environmental stewardship, product safety, employee well-being, community engagement, and corporate governance. By embarking on a new era of a holistic reporting framework, we aim to provide our stakeholders with a clear understanding of our sustainability journey, the challenges we face, and the progress we have made. To further demonstrate our commitment, our senior-most leaders were proud to represent PI Industries at Engaging India @Almedalen 2023 in Sweden. Delivering the keynote address at this international event our Vice Chairperson and Managing Director, Mr. Mayank Singhal spoke about the importance of a new thought architecture for solving global sustainability challenges. He referred to 4 C's as core pillars to drive this shift in thinking viz. Connections, Collaboration, Cooperation and Conversations, as a model for re-engineering and recalibrating human presence on Earth.

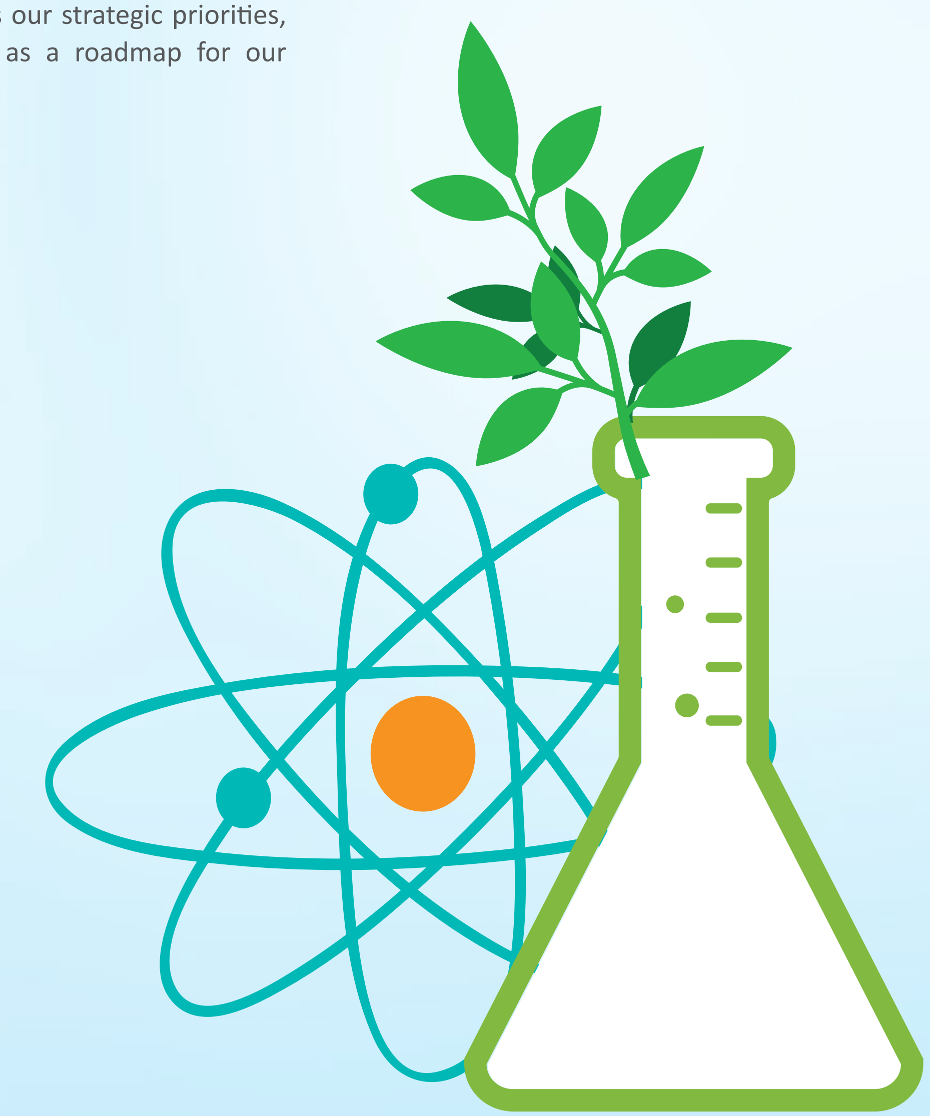
Similarly, this report is an endeavor to demonstrate how we generate value through our business activities supported by continuous stakeholder engagement built on a foundation of strong corporate governance. We measure our ability to create value for the long-term through the six capitals viz. financial, manufactured, intellectual, human, social and relationship, and natural. While we seek to deliver for the environment, we are also laser-focused on profitability and reaching our medium-term target of mid-to high-teens revenue growth. We believe that our team is on the path to grow intelligently and profitably and to methodically build a category-shifting brand. We understand that sustainable value creation requires us to stretch beyond our immediate operations. We actively engage with our supply chain partners, customers and local communities to bring multiple perspectives into our decision-making processes. Responsible growth needs a sensitive organizational culture that fosters positive change in the organization and the external environment.

> "We are committed to developing and providing innovative, sustainable, and environmentally responsible agrochemical solutions that enhance crop productivity while preserving our planet's resources.

As we present this integrated report, we acknowledge that our journey is ongoing, and we will be faced with many learning moments and opportunities. We also understand the importance of continuously improving and adapting to the ever-changing sustainability landscape. Lastly, this report is not just a reflection of our past achievements, but also a blueprint for our future endeavors. It outlines our strategic priorities, goals, and targets, serving as a roadmap for our ongoing commitment to sustainable development.

As we embark on this journey, we acknowledge that achieving true sustainability requires collaboration and collective effort. We extend our gratitude to our employees, customers, suppliers, investors, communities, and other stakeholders for their continued support and partnership. Together, we will drive positive change and build a better future for all.

We invite you to explore this integrated report, understand our business model, and join us on our sustainability journey.



Disclosure frameworks and reporting standards

PI Industries Limited's annual integrated report FY23 is guided by the principles and requirements of the IIRC's Integrated Reporting <IR> Framework including fundamental concepts, guiding principles, and content elements as defined therein. Our transition to integrated reporting is a conscious effort to communicate how our strategy, governance, performance, and prospects, help us generate value for our shareholders in the short, medium, and long term. Demonstrating our improved risk management and decision-making framework through more transparent reporting, we hope that our valued stakeholders will find our report useful.

Mandatory compliance:

Companies Act, 2013

Listing Obligations and Disclosure Requirements, 2015

Secretarial Standards

Indian Accounting Standards

Voluntary adherence:

UN Global Compact; Sustainable Development Goals; Universal Declaration of Human Rights; ILO; BRSR; Responsible Care; Integrated Reporting <IR>; GRI Standards; OECD Guidelines for Multinational Enterprises

Scope and boundaries

This report includes activities and other information occurring in the financial year 2023 (FY23) i.e. between 1st April 2022 and 31st March 2023. The financial reporting entity considered is PI Industries Limited, which is registered in India and is listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE). The issues reported, business risks and opportunities and the impact generated have been identified as material to PI Industries Limited's ability to generate value over the long-term for key stakeholders and the society at large.

Business information beyond financial consideration is reported only where required, for investors to understand the organization's performance with respect to non-financial areas of performance and impact. When utilizing information regarding the consequences or effects of business operations that go beyond the designated reporting boundary for reporting purposes, we understand that it is crucial to explicitly state the conditions for presenting this information. Consequently, the resultant data shall be distinctly labeled to ensure transparency and clarity.

All information presented in this report pertains to standalone operations of PI Industries Limited, unless otherwise specified. The annual integrated report ensures that there is better recognition of the value of ESG dimensions and sustainability-related issues across the length and breadth of the organization.

Forward-looking statements

This annual integrated report contains information on short and medium-term management plans resulting in long-term growth for the Company. The report discusses how the Company looks at business risks and opportunities while navigating the competitive landscape against climate change and sustainability concerns or disruptions in the global supply chain and other significant market trends. The Company employs an internal strategic framework in form of PI Compass to identify key performance indicators and provides growth projections and estimates based on historical market trends and underlying assumptions. Thus, the 'forward looking' statements published are subject to the influence of a range of factors in the Company's circumstances going forward and do not constitute a guarantee of future business performance or a guarantee that the targets and forecasts will be met. Readers are therefore advised to avoid placing undue reliance on the forward-looking statements contained herein and to be aware that the Company recognizes no obligation to update or revise such statements.

KEY REPORTS AND DOWNLOADS AVAILABLE PUBLICLY

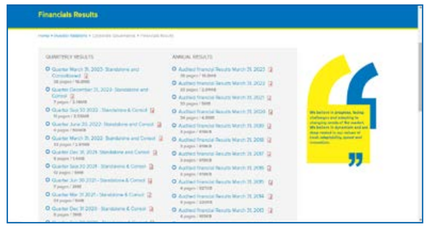
Sustainability report

www.piindustries.com/sustainability/Reports/Sustainability-Report

Annual report

www.piindustries.com/investor-relations/co-go/annual-reports

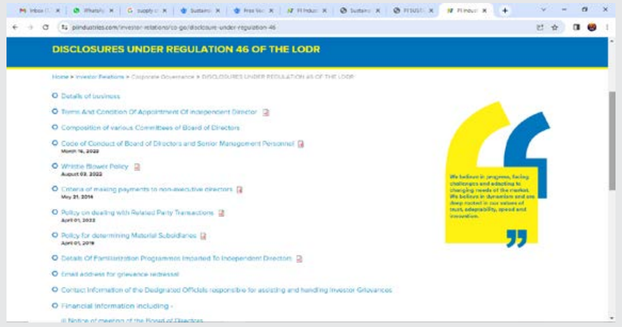
Financials



www.piindustries.com/investor-relations/co-go/Financials-Results

Disclosure of information on PI's corporate website

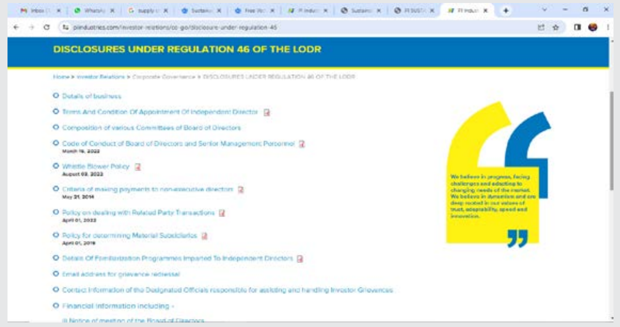
Investor relations



https://www.piindustries.com/investor-relations/co-go/disclosure-under-regulation-46

- Disclosures under regulation 46 of the LODR
- Policies
- Press releases
- Press releases others
- QIP-PPD
- QIP-PD
- Financials at a glance
- Other disclosures

Sustainability



https://www.piindustries.com/investor-relations/sh-ce/Annual-General-Meeting

- Annual general meeting
- Postal ballot
- FAQs
- Forms
- Intimation of duplicate shares
- Listing information
- Merger
- Shareholders' information

We solicit your feedback on our first annual integrated report. You can send us your comments at sustainability@piind.com"

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Gurugram, Haryana, 122003

Tel: +91 124 464 4000
Fax: +91 124 464 4050
ey.com

Independent Assurance Statement

The Management and Board of Directors
PI Industries Limited
5th Floor, Vipul Square
B – Block, Sushant Lok, Phase – 1,
Gurugram – 122009, Haryana, India

Scope

We have been engaged by PI Industries Limited (hereafter "The Entity") to perform a 'limited assurance engagement,' as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on PI's Annual Integrated Report 2022-23 (IR) (the "Subject Matter") for the period from 1st April, 2022 to 31st March, 2023.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by the Entity

In preparing the Annual Integrated Report 2022-23, the Entity applied the Integrated Reporting <IR> framework published by International Integrated Reporting Council and the key performance indicators as per Global Reporting Initiative (GRI) Standards; as a result, the subject matter information may not be suitable for another purpose.

The Entity's Responsibilities

The Entity's management is responsible for selecting the Criteria, and for presenting the Annual Integrated Report 2022-23 in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ISAE 3000 (Revised)'), and the terms of reference for this engagement as agreed with PI Industries Limited on 19th June, 2023. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Our independence and quality management

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements*, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Annual Integrated Report 2022-23 and related information, and applying analytical and other appropriate procedures.

Our procedures included:

- Review of the standard disclosures regarding the company's material sustainability aspects contained in the report;
- Review of consistency of data / information within the report;
- Conducted interviews with select personnel from sites and corporate teams to understand the process for collecting, collating and reporting the subject matter as per <IR> framework published by International Integrated Reporting Council and the key performance indicators as per Global Reporting Initiative (GRI) Standards
- Review and execution of an audit trail of claims and data streams, on a selective test basis, to determine the level of accuracy in collection, transcription and aggregation processes followed;
- Checked that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Criteria
- Remote verification of data, on a selective test basis, for the six sites (PN 01, PN 02, PN 03, PN05 and PN06 in Gujarat and one R&D division in Rajasthan) and corporate offices and owned depots, and indicators, through consultations with the site teams and corporate team;
- Undertook analytical review procedures to support the reasonableness of the data through consultations with the corporate sustainability team
- Review of the Company's plans, policies, and practices, pertaining to their social, environmental, and sustainable development, to be able to make comments on the fairness of integrated reporting;

We also performed such other procedures as we considered necessary in the circumstances.

The assurance scope excludes:

- Data and information outside the defined reporting period (1st April 2022 to 31st March 2023)
- Data and information on economic and financial performance of the Company
- Data, statements and claims already available in the public domain through Annual Report, or other sources available in the public domain
- The Company's statements that describe the expression of opinion, belief, inference, aspiration, expectation, aim or future intention provided by the Company
- The Company's compliance with regulations, acts, guidelines with respect to various regulatory agencies and other legal matters

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that need to be made to the Annual Integrated Report 2022-23 for the period of 1st April 2022 to 31st March 2023, in order for it to be in accordance with the Criteria.

Restricted use

This report is intended solely for the information and use of PI Industries and is not intended to be and should not be used by anyone other than those specified parties.

For and on behalf of Ernst & Young Associates LLP.

Saunak Saha

Saunak Saha
Partner
25th July 2023
Gurugram, India

02. About PI Industries Limited

As a premier global agrochemicals and life sciences Company, PI Industries Ltd. has held a leading position in the agri inputs industry since its establishment in 1946. Our unique business model entails global partnerships across the value chain, encompassing custom synthesis and manufacturing, and in-licensing for distribution of agri-inputs in the domestic market. With deep R&D expertise and a significant footprint in the Indian crop protection market, we have a strong legacy of market-leading brands that bring value-added offerings to over 3 million farmers and over 80,000 retailers.

At PI Industries, we are committed to identifying new opportunities by delivering innovative solutions to our customers. We understand that integrating ESG into our business strategy is crucial for sustainable value creation and a resilient future. Our corporate philosophy of conducting business responsibly and sustainably has been validated through our track record on EcoVadis, Together for Sustainability, and our recent participation in Corporate Sustainability Assessment and ranking in S&P Global.

PI prioritizes technology and intellectual property protection as crucial elements of its business strategy. With significant investments in large-scale manufacturing infrastructure aligned with Industry 4.0 standards, PI has fortified its capabilities across the entire value chain. From process synthesis to scaling up and commercialization, the Company excels in delivering robust solutions at every stage.

The Company boasts a 3,354-strong workforce and operates five formulation facilities and 15 multipurpose plants across four manufacturing locations. These state-of-the-art facilities are equipped with integrated process development teams and in-house engineering capabilities.

Our world-class R&D facility at Udaipur hosts a team of 473 scientists and researchers supported by advanced research and development labs, kilo plants, and pilot plants. These plants are NABL certified. Our R&D teams have over time proven their capability by delivering transformative solutions, timely product supplies, and cost efficiencies and have forged symbiotic partnerships with more than 20 global innovators.

We remain committed to raising the bar for our achievements by embracing leading ESG practices and striving to achieve an industry-leading ranking. By integrating ESG into our business strategy, we aim to create value for all our stakeholders and build a sustainable future for generations to come.

At PI Industries, we are committed to identifying new opportunities by delivering innovative solutions to our customers.

3,354	05	15	04
Employees in FY23	Formulation facilities	Multi-purpose plants	Manufacturing locations

Product Portfolio

We offer a wide range of crop protection products for farmers

INSECTICIDES

HERBICIDES

FUNGICIDES

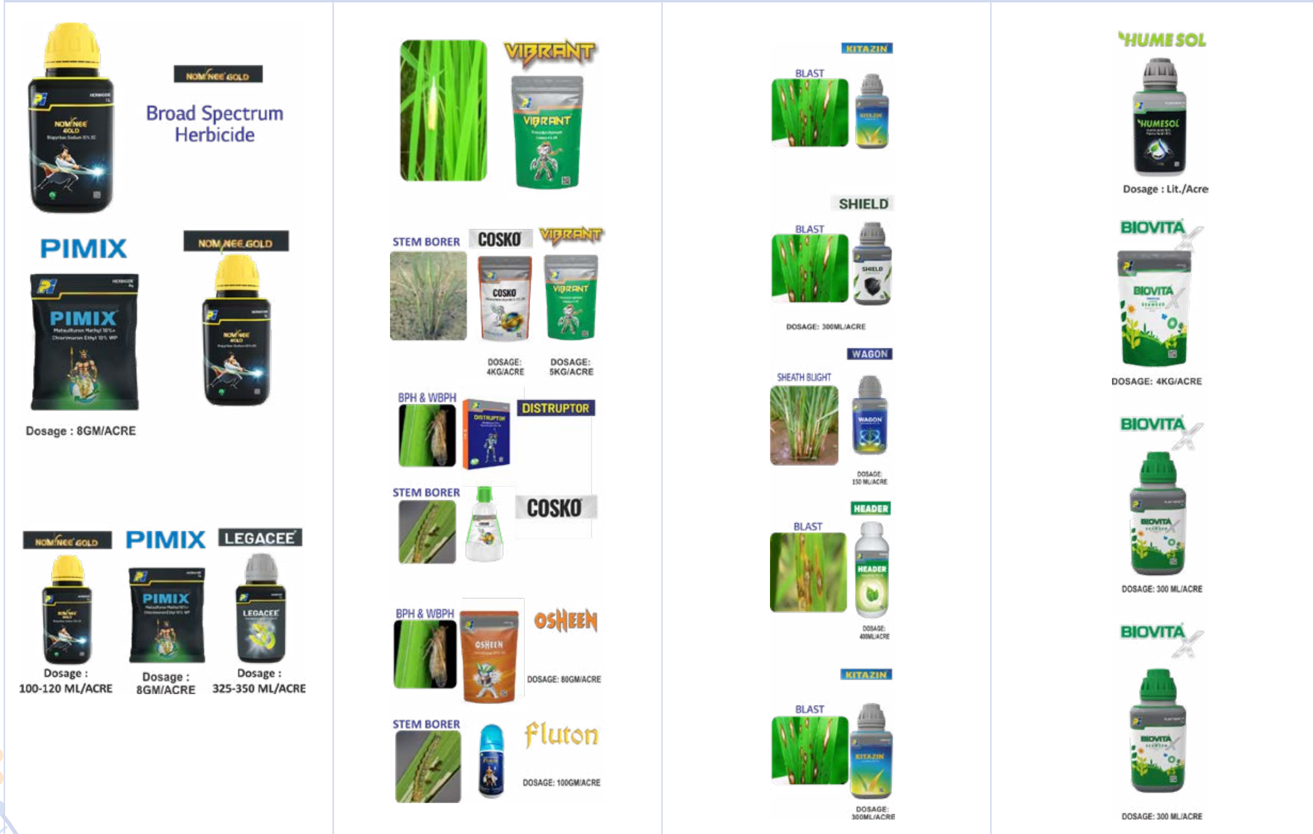
BIOSTIMULANTS

Our crop protection products offer comprehensive solutions throughout the crop's growth stage

Solution for major crops

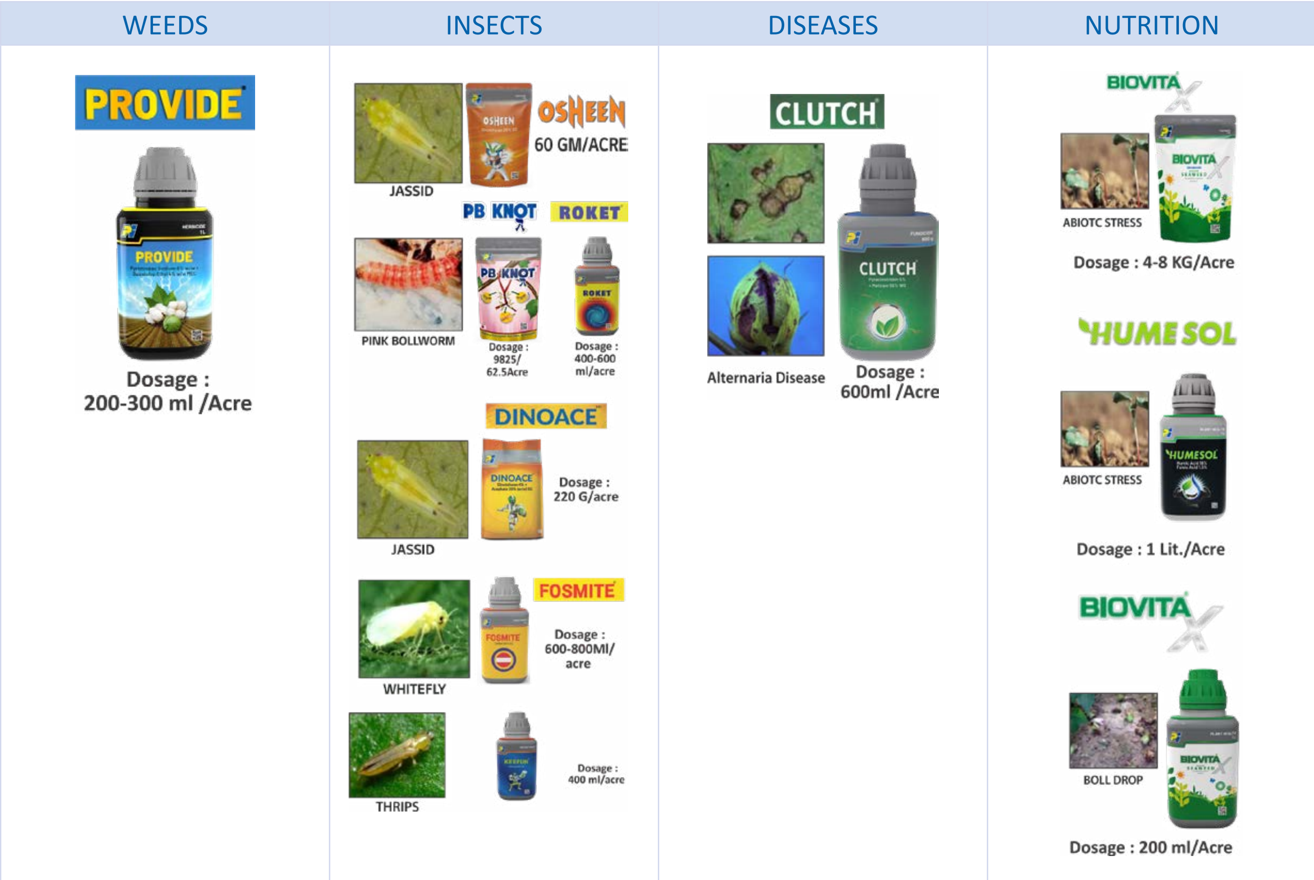
RICE

WEEDS	INSECTS	DISEASES	NUTRITION



Notice
Financial Statements
Management Reports
Corporate overview

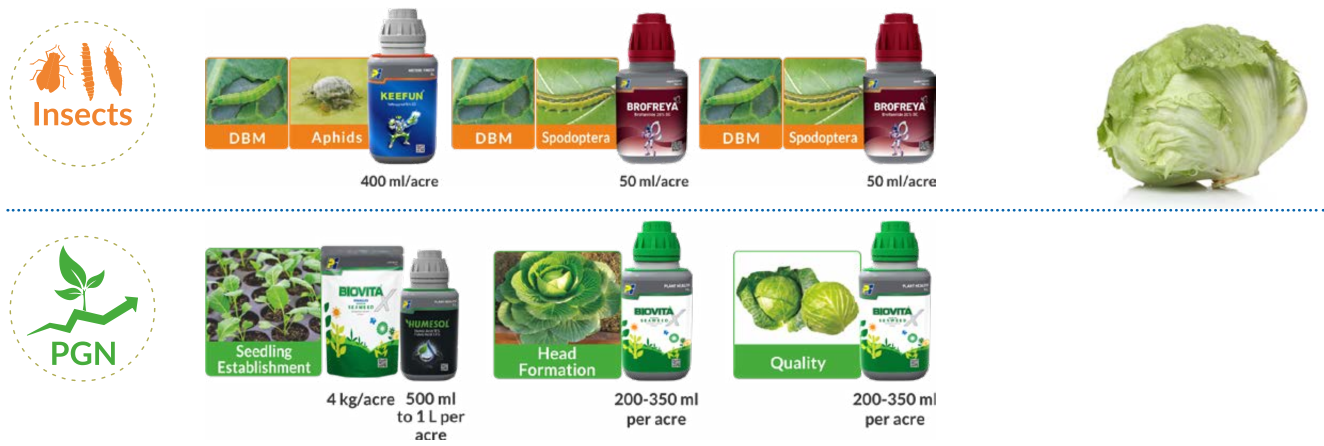
COTTON



Hortiulture crops solution

TOMATO

COLE



CHILLI

POTATO

ONION

Insects
- Thrips – KEEFUN – 400 ml/acre

Diseases
- Purple Blotch – CLUTCH – 600-700 gm/acre; KITAZIN – 0.2% solution
- Stemphylium Blight, Purple Blotch – VISMA – 200 gm/acre

PGN
- Seedling Establishment – BIOVITA – 4 kg/acre; HUMESOL – 500 ml to 1 L per acre
- Bulb Quality – BIOVITA – 200-350 ml per acre

BRINJAL

Insects
- Jassid, Whitefly – MAXIMA – 80 gm/acre
- Spider Mite – SUKHEE – 160 ml/acre
- COLT – 300 ml/acre
- Fruit Borer, Shoot Borer – BROFREYA – 50 ml/acre
- Fruit & Shoot Borer – 80 ml/acre

PGN
- Seedling Establishment – BIOVITA – 4 kg acre; HUMESOL – 500 ml to 1 L per acre
- Enhance Flowering – BIOVITA – 200-350 ml per acre
- Fruit Quality – BIOVITA – 200-350 ml per acre

GRAPES

Diseases
- At Pruning stage – HUMESOL – 500 ml to 1 L per acre; BIOVITA – 4 kg/acre
- Flowering – BIOVITA – 200-350 ml per acre
- Berry Setting – BIOVITA – 200-350 ml per acre

PGN
- Downy Mildew – LIBRA – 400 gm/acre; SANIPEB – 0.3% solution; DEFENSA – 1100 gm/acre; SECTIN – 600 gm/acre; CLUTCH – 600 gm/acre
- Powdery Mildew – VISMA – 240 gm /acre
- Anthracnose – KITAZIN – 0.2% solution

POMEGRANATE

Diseases
- SANIPEB – 0.3% solution
- Leaf Spot
- Anthracnose – KITAZIN – 0.2% solution
- Fruit Spot – CLUTCH – 600-700 gm/acre

PGN
- At Pruning stage – BIOVITA – 4 kg/acre; HUMESOL – 500 ml to 1 L per acre
- Flowering – BIOVITA – 200-350 ml per acre
- Fruit setting – BIOVITA – 200-350 ml per acre
- Fruit Development – BIOVITA – 200-350 m per acre

APPLE

Insects
- SIMBAA – 5-10 ml/tree
- European Red Mite
- Red Spider Mite – SUKHEE – 160 ml/acre

Diseases
- CLUTCH – 100 gm/100L
- Alternaria Leaf Spot
- Premature Leaf fall
- VISMA – 300 gm/acre
- Powdery Mildew
- SANIPEB – 0.3% solution
- SCAB

PGN
- At Bud Swelling stage – BIOVITA – 4 kg/acre; HUMESOL – 500 ml to 1 L per acre
- Flowering – BIOVITA – 200-350 ml per acre
- Fruit Development – BIOVITA – 200-350 m per acre

Corporate information

Chairperson Emeritus

Mr. Salil Singhal

Board of Directors

Mr. Narayan K Seshadri

Non-Executive Non-Independent Chairperson

A qualified Chartered Accountant, started his business consultancy career with Arthur Anderson. Joining KPMG afterwards, Mr. Seshadri rose to the position of Managing Partner of its business advisory practice in India.

Chairperson	NIL
Member	N A M R

Mr. Mayank Singhal

Vice Chairperson & Managing Director

Engineering and Management Graduate, has significantly contributed to the Company's customer base growth. With over 20 years of experience in chemicals, intermediates, and agrochemicals industries, he has successfully implemented impactful policy changes and transformed operations and systems, fostering synergy across various business activities.

Chairperson	M R AD
Member	C

Mr. Rajnish Sarna

Joint Managing Director

Qualified Chartered Accountant, brings over 30 years of diverse expertise in Business Development, Strategy, CRM, Operations, Finance, Risk Management, Legal Contracting & Compliance, Investor Relations, IT, and Process Reengineering.

Chairperson	NIL
Member	A M C R AD

Mr. Arvind Singhal

Non-Executive Non-Independent Director

An experienced entrepreneur, has amassed over 40 years of industry expertise in mining & mineral processing, agrochemicals & specialized chemicals, and electronic metering systems. He held the position of Joint Managing Director at PI Industries for 22 years until December 2001.

Chairperson	NIL
Member	AD

Mr. T S Balganesh

Independent Director

Holds a Ph.D. in Medical Microbiology from the University of Calcutta and conducted post-doctoral research at Brookhaven National Lab, USA, and Max Planck Institute, Germany. He has been honored with an honorary doctoral degree from the University of Uppsala, Sweden.

Chairperson	S
Member	N M C

Mr. Shobinder Duggal

Independent Director

Has completed the International General Management program for executive development from the International Institute for Management Development in Lausanne, Switzerland, has valuable experience at Nestle and Voltas Limited. He is proficient in Financial Planning, Direct Taxes, Consolidation & Reporting, Treasury Management, Payroll, Fixed Assets Management, and Operational & Financial audits, including Due Diligence audits.

Chairperson	A
Member	S M R

Ms. Lisa J Brown

Independent Director

A registered Trade Mark Attorney, holds a Law degree from the University of Derby. With 20+ years of experience in industrial, technology, and consumer sectors, she excels in IP management, compliance, risk assessment, and corporate restructuring. Her executive roles in SSL International Plc, Pets at Home Limited, and WABCO Holdings Inc. have showcased her ability to drive corporate growth, execute strategies, and ensure governance through a risk-based analytical approach.

Chairperson	N
Member	A

Ms. Pia Singh

Independent Director

A Wharton School of Business graduate, brings over two decades of extensive experience in business management, strategic planning, and implementation.

Chairperson	C
Member	N A

N Nomination & Remuneration Committee

A Audit Committee

S Stakeholder Relationship Committee

M M&A Committee

C CSR Committee

R Risk Management Committee

AD Administrative Committee

Our leadership team

Dr. Atul Kumar Gupta
CEO, AgChem Exports (CSM)

Mr. Prashant Hegde
CEO, AgChem Brands

Mr. Manikantan Vishwanathan
Chief Financial Officer

Dr. Alexander Klausener
Chief Scientific Officer

Key Managerial Personnel

Mr. Mayank Singhal
Vice Chairperson and Managing Director

Mr. Rajnish Sarna
Joint Managing Director

Mr. Manikantan Viswanathan
Chief Financial Officer

Ms. Sonal Ramanand Tiwari
Company Secretary

Plant location

Udaisagar Road
Udaipur - 313 001
Rajasthan

Panoli Unit-1: Plot No.237
GIDC, Panoli - 394 116
Ankleshwar, Gujarat

Panoli Unit-2:
Plot No.3133-3139, 3330- 3351
3231-3245, 3517-3524, GIDC
Panoli - 394 116, Ankleshwar
Gujarat

Plot No. SPM 28, 29/129/2
Sterling SEZ, Village Sarod
Jambusar - 392 180
Gujarat

640, GIDC Industrial Estate
Panoli -394 116
Tal. Ankleshwar
Dist: Bharuch, Gujarat

Registered office

Udaisagar Road, Udaipur - 313 001, Rajasthan, India

Tel. No.091 294 6651100
Fax No.091 294 2491946

E-mail ID: corporate@piind.com
Website: www.piindustries.com

Corporate office

5th Floor, Vipul Square, B-Block,
Sushant Lok, Phase-I,
Gurugram - 122 009, Haryana, India
Tel.No.091 124 6790 000
Fax No. 091 124 4081 247

Countries of operation

Export markets:

06 continents

30+ countries

04 global offices

Auditors

Statutory Auditors
M/s. Price Waterhouse Chartered Accountants LLP
Gurugram

Internal Auditors
M/s. EY, LLP, Chartered Accountants

M/s. PKF Sridhar & Santhanam LLP
Chartered Accountants

Cost Auditor
M/s. K.G. Goyal & Co.
Jaipur

Secretarial Auditor
Mr. Rupinder Singh Bhatia

Bankers

- State Bank of India
- Axis Bank Ltd.
- Standard Chartered Bank
- Citibank N.A.
- The Hongkong and Shanghai Banking Corporation Ltd.

Share Department

5th Floor, Vipul Square, B-Block, Sushant Lok Phase-I
Gurugram – 122 009 Haryana, India

Tel.No.091 124 6790 000
Fax No. 091 124 4081 247
E-mail ID: investor@piind.com

Corporate Identity Number (CIN)

L24211RJ1946PLC000469

Share Registrar and Transfer Agent

KFin Technologies Limited (Formerly known as KFin Technologies Private Limited)

(Unit: PI Industries Limited) Selenium Building Tower-B, Plot No.31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032, Rangareddy, Telangana, India.

Tel. No.: 091 40 6716 2222
Toll free number - 1- 800-309-4001

E-mail ID: einward.ris@kfintech.com
Website: www.kfintech.com

PI's Value Chain

Presence across the AgChem value chain

CSM exports

- Discovery
- Development
- Scale-up
- Manufacturing

Domestic Agri Brands

- Evaluation & Trials
- Regulatory services & Registrations
- Marketing & Distribution

Customer Needs ⟷ **Business Strategy**

- Consistent Quality
- Cost Competitiveness
- Speed of execution, delivery
- Reliable & Adaptable
- Real-time monitoring & review
- Continuous improvement innovatively

Quality

- Objective to be high quality producer
- Control all processes that impact quality of the end product

Efficiency

- Target driven
- Ownership at sub-functional level

Throughput

- Ensure consistent, reliable delivery
- Continuous de-bottlenecking
- Automation

Environment & Safety

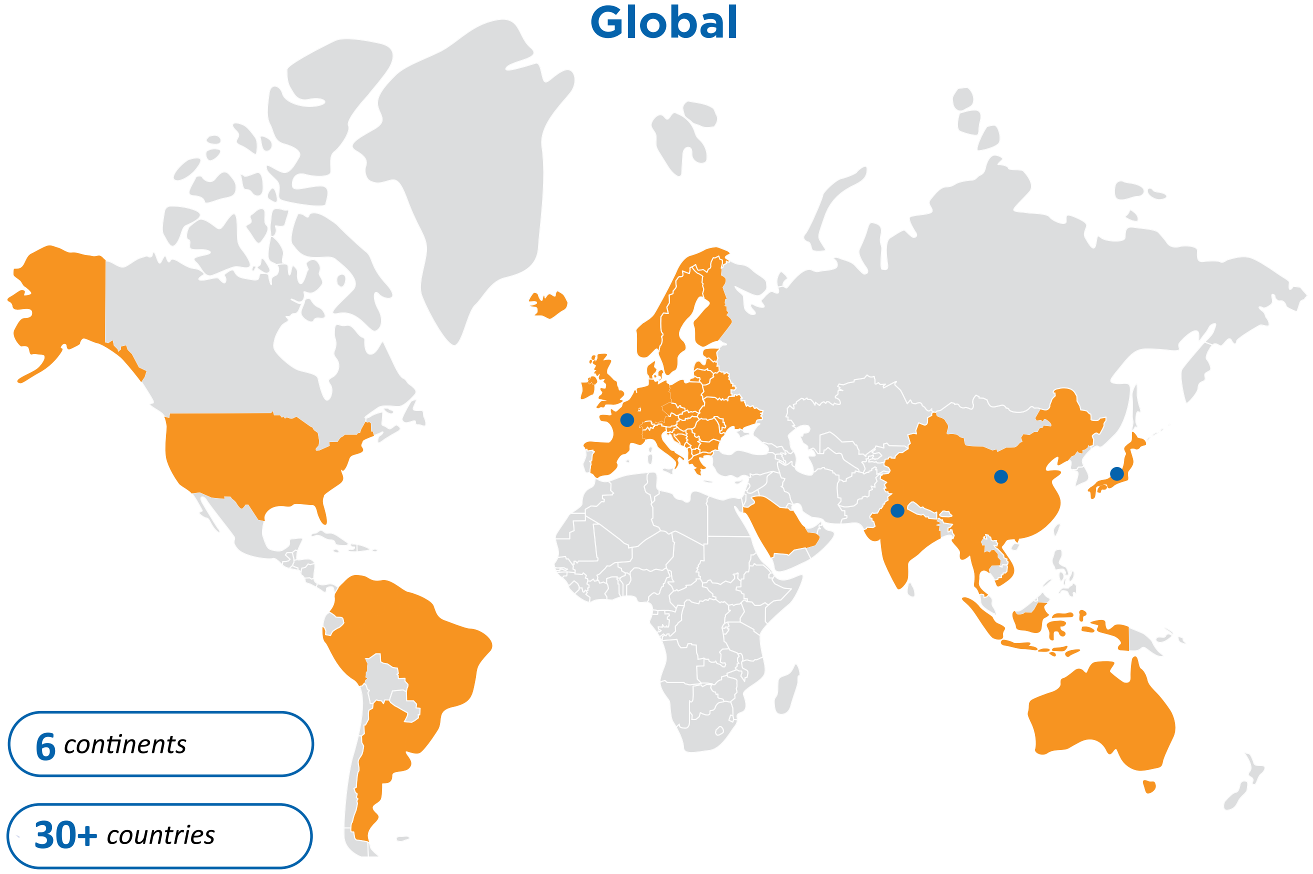
- To set benchmarks
- Address at source
- Safety first culture

Innovation

- Protect and build IP

PI's geographical presence

Global



6 continents

30+ countries

4 Global offices

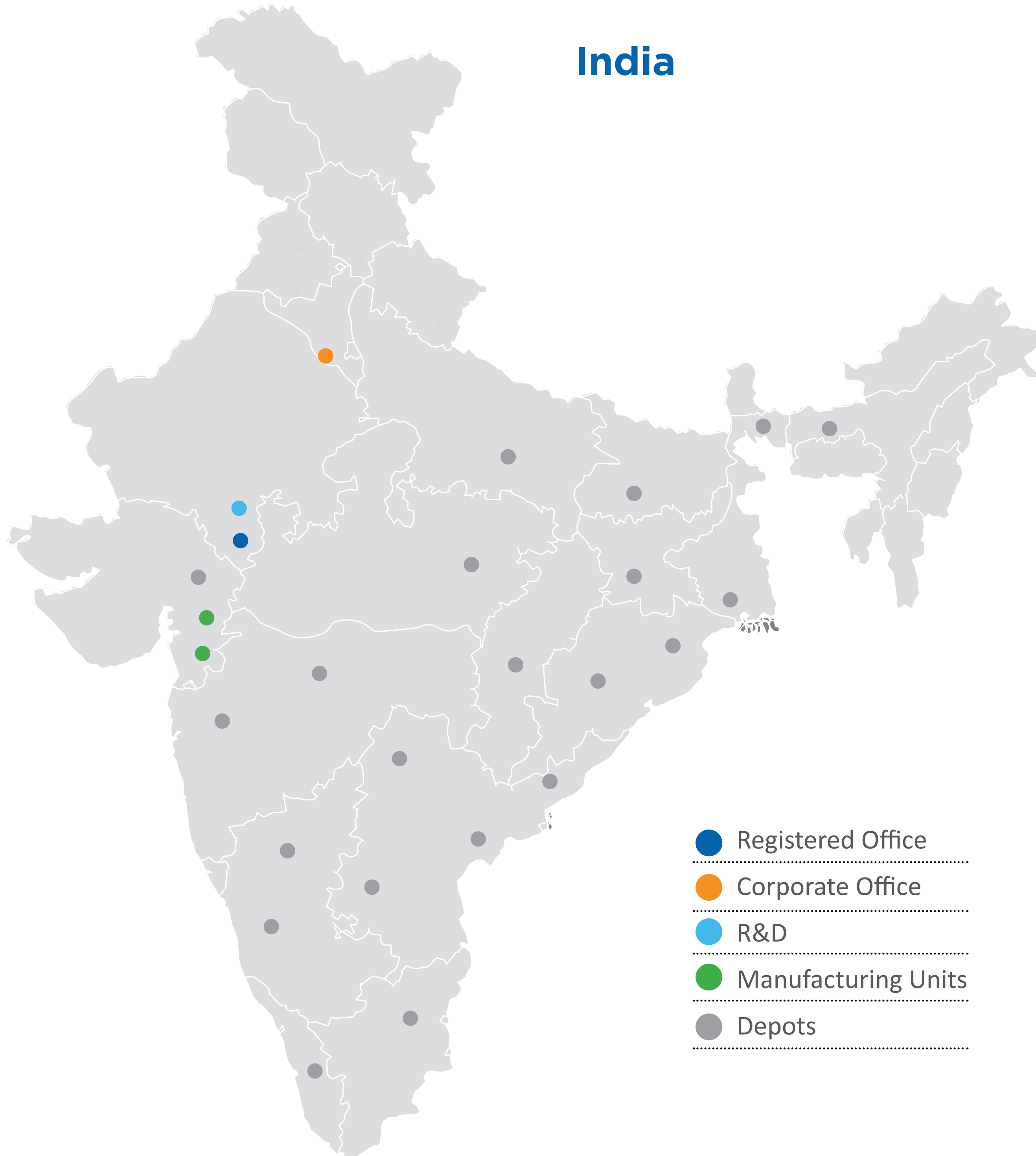
Our Export Markets   Physical Presence

Revenues from external customers (₹ million)

12,400 India	27,227 North America	2,866 Rest of the world
14,174 Asia (other than India)	6,037 Europe	

- State of the art R&D lab at Udaipur
- New research center at IKP Hyderabad
- 15 automated Multipurpose plants (MPPs) with Distributed Control System (DCS)
- Kilo Lab and Pilot Plant in Udaipur and Panoli
- Installation of Remote Input/Output (RIO) which is a combination of Yokogawa, Japan and Turck, Germany, is the biggest in Asia
- 30% growth from exports

India



Registered Office

Corporate Office

R&D

Manufacturing Units

Depots

10,000+ Channel Partners	25 Stock Points	80,000+ Retailers

Key Milestones

Our Journey

1946
+ Founded as Mewar Oil & General Mills Ltd

1961
+ Started AgChem Formulation and Marketing

1976
+ Started first Technical Manufacturing Plant

1992
+ Established Subsidiary as PILL Finance and Investments Ltd.
+ Company's name changed to PI Industries Ltd.
+ New manufacturing unit at Panoli, Gujarat

1993
+ Company's shares got listed at BSE Ltd.

1996
+ Started Custom Synthesis & Manufacturing

2001
+ One of the first companies in the AgChem space to implement SAP
+ Received ISO certification for plants

2004
+ Established subsidiary as PI Life Science Research Ltd.
+ Started new representative office in Shanghai, China
+ Received OHSAS 14001 certification for plants

2006
+ Energy conservation award from GoI

2007
+ Established subsidiary as PI Japan Co.Ltd.

2009
+ Received Green Chemistry award for outstanding research in the field of Green Chemistry and Engineering

2010
+ Divested Polymer Compounding Business
+ Women Director in our Board of Directors became signatory to 'Responsible Care' program

2011
Obtained GLP Certification
+ Company's shares got listed at National Stock Exchange (NSE)
+ Certificate of excellence in Supplier Sustainability from Bayer

2012
+ Established new Manufacturing site at Jambusar, Gujarat

2013
+ Frost & Sullivan Green Manufacturing Excellence Award (GMEA)

Key Milestones

Our Journey

2014

- Established Office in Germany

2015

- New Formulation site set up at Panoli, Gujarat
- Awarded GMEA Certificate of merit in Safety Excellence, GMEA

2016

- Solinnos Agro Sciences- a JV with Mitsui Chemicals Agro, Japan
- New R&D Centre at Udaipur
- 2 MPPs commissioned at Jambusar, Gujarat
- ISO Certification 50% of Board comprised of Independent Directors, above and beyond mandates

2017

- PI Kumiai – a JV with Kumiai Chemicals, Japan
- Together for Sustainability (TfS) score of 99 out of 100 Initiated Reporting on 'Communication on Progress as a UNGC signatory

2018

- Retained 'Responsible Care' Status from Indian Chemical Council
- Recertification of ISO 14001:2015 and OHSAS 18001:2007
- ISO 27001:2013 certification for implementation of information security

2019

- New MPP commissioned at Jambusar, Gujarat
- Entered in to agri-solutions like mechanised Spray Machines
- Established a new subsidiary as Jivagro Limited
- Acquired Isagro (Asia) Agro Chemicals Private Limited
- Silver Jubilee celebration of Panoli manufacturing unit
- Conducted an external materiality assessment and identified material items for the company Awarded GOLD star rating by EcoVadis
- CII-National Award for Excellence in Water Management

2020

- Successful completion of QIP- ₹ 20,000 Mn
- New manufacturing unit- MPP 11 – commissioned
- Successful foray into pharmachemicals
- Celebrated centennial year of Late Shri P P Singhal

2021

- Successfully integrated Isagro (Asia) Agro Chemicals Private Limited
- B2C Business of Isagro demerged to Jivagro as a horticulture specialist
- Celebration of PI's 75 years
- Crossed 100 patent application filings
- Successful foray into electronics chemicals
- Established new subsidiary PI Health Sciences Limited
- Emerged amongst top quintile companies in very first S&P global Corporate Sustainability Assessment (CSA)
- Published our Sustainable Development Goals for 2025 Released our first Sustainability Report
- First S&P Global CSA (82 Percentile)

2022

- Defined PI Compass comprising Purpose, Vision, Spiky Capabilities and Values
- Piloted drone application in Domestic Agri market
- Retained 'Responsible Care' from Indian Chemical Council
- Ecovadis Gold Rating
- Retained Responsible Care from Indian Chemical Council
- 93rd Percentile in S&P Global Corporate Sustainability Rankings Winner of Golden Peacock National Award for CSR

2023

- Ventured into life sciences, Contract Development and Manufacturing Organization (CDMO) and pharma active pharmaceutical ingredients (API) through acquisition of Ther-achem Research Medilab LLC and Archimica SpA

Performance highlights

Robust Financial Performance

CAGR (FY19-FY23)	Value	Metric
23%	₹64,920 million	Revenue from operations
32%	₹12,295 million	Profit After Tax (PAT)
33%	₹71,985 million	Net Worth
28%	₹15,489 million	EBITDA
40%	₹15,014 million	Net Cash Flow from Operations
26%		Return on Capital Employed (RoCE)

All figures here are on consolidated basis

Winning with sustainability

Sustainability is paramount to our business continuity and long-term success, giving us a competitive edge. As pioneers in our field, we embrace our responsibility and align ourselves with global standards, driving excellence in our sustainability initiatives for a future that outshines the rest.

Key Highlights: FY23

Quantity of water recycled through rain water harvesting & RO permeate

14,699 KL

Planted endangered and extinct species of trees on **58,000** m2 of land benefiting approximately **7,000 people**

2x increase from FY21 in our **renewable energy consumption**

Retained Ecovadis gold medal in sustainability achievement 2022 with a ranking of **97th percentile**

Improving **EcoScale of products** to reach the top bracket

Improved S&P CSA ranking to **93rd percentile**

Utilization of paper-based packaging material manufactured material from **completely recycled material**

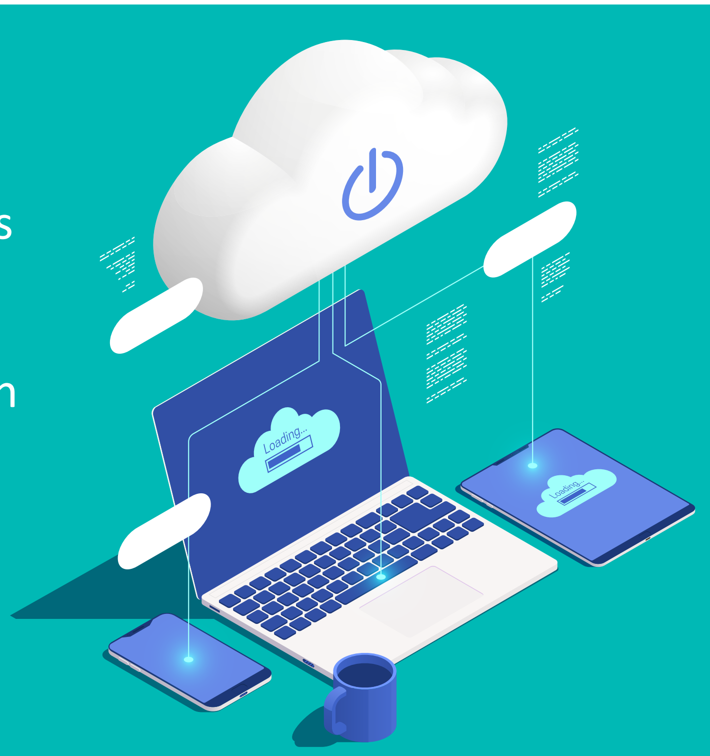
Progress against our sustainability goals

PI unveiled its sustainability commitments in the financial year ending March 2021, outlining a comprehensive roadmap for the next five years. As we enter a new year, we proudly reaffirm our unwavering dedication. Significant strides have already been made, with substantial progress achieved across all our stated objectives, underscoring our resolute commitment to sustainability.

Our 2025 Goal	SDG alignment	Our Progress till FY23
Increase renewable energy usage to 20 percent of total	12 Responsible Consumption and Production	4.83%
Reduce Specific CO2 emissions by 25 percent	12 Responsible Consumption and Production	Reduced by 15%
Reduce landfill waste by 25 percent	12 Responsible Consumption and Production	Increased by 63%
Reduce specific freshwater consumption by 25 percent	6 Clean Water and Sanitation; 12 Responsible Consumption and Production	Reduced by 12.6%
Reduce lost-time injury frequency rate (LTIFR) to 0.20	3 Good Health and Well-Being; 8 Decent Work and Economic Growth; 16 Peace, Justice and Strong Institutions	0.068 in FY23 for all employees and contract workers
Ensure NIL fatal injury in plant operations	3 Good Health and Well-Being; 8 Decent Work and Economic Growth; 16 Peace, Justice and Strong Institutions	NIL
Increase employees' average training hours per full time employee by 25 percent	8 Decent Work and Economic Growth	Increased by 62%
Increase women's participation in leadership positions by 25 percent	5 Gender Equality	Increased by 23%
Introduce new technologies/ products/services and intensify farmers' education to improve farm productivity and reduce the environmental impact of agriculture by reducing water usage	15 Life on Land	19000+ acres brought under sustainable agricultural practices by educating farmers about climate-resilient agricultural practices
Conduct skill development training for women and youth to improve their employability and independence	5 Gender Equality; 8 Decent Work and Economic Growth	70% of enrolled youth placed through skill development initiatives
Contribute to education and healthcare of underprivileged in the society	3 Good Health and Well-Being; 4 Quality Education	91,000+ healthcare beneficiaries through Mobile Health units and 14,000+ students impacted through various initiatives

Building a digital edge

We have made significant investments in our information security posture to ensure 360° protection of our digital assets from cyber threats and data breaches, initiatives.



Our continued focus on maintaining a competitive advantage has led us to make continual investments in cutting-edge digital technologies. These investments enable us to deliver efficient, data-driven solutions that drive our growth through innovation. Throughout the year, we have undertaken multiple initiatives to further enhance our digital edge, solidifying our position in leveraging technology for maximum impact. Our strategic investments in Industry 4.0 infrastructure such as cloud-based tools and green data centers emphasize our commitment to maintain our competitive advantage through digital technologies while being aware of our carbon footprint.

We have modernized our legacy applications, which has been one of our major achievements to ensure a seamless user experience.

Our analytic capabilities have been enhanced by pulling data from both enterprise IT and OT systems, establishing a single source of truth for reporting and analytics. This enables us to deploy descriptive, predictive, and prescriptive analytics through a data lake, facilitating informed decision-making.

We have successfully leveraged cloud technology, which has provided us with a scalable IT infrastructure allowing us to be more agile, cost-effective, and light-footed to effectively respond to our dynamic business environment.

We have made significant investments in our information security posture to ensure 360 protection of our digital assets from cyber threats and data breaches. Initiatives such as the implementation of Multi-Factor Authentication, Mobile Device Management, Data Leak Prevention and 24x7 SOC have been implemented.

Our migration from existing SAP ECC-6 to the latest S4/HANA solution was prioritized to incorporate the best practices, ensuring optimized and efficient processes.

SD-WAN (Software Defined Wide Area Network) was implemented across PI sites leading to yearly savings of ₹ 2.7 million.

Electronic Laboratory Notebooks (ELN), our R&D platform was expanded to include several protocols and workflows involving a variety of trials and studies, with an aim to digitize the process development data.

Our people first approach

At PI, we believe in a 'People First' philosophy and emphasize on our values of being 'Caring', 'Creative', 'Courageous' and 'Curious'. This helps us in fulfilling our responsibility of creating a conducive environment for our employees where they can excel and create value. In continuance with our focus on our people, we have taken multiple initiatives during the year:

The **'PI Compass'** articulates our Purpose, Vision, Core Capabilities and our Values. Our senior leaders also function as trainers to ensure that all employees embody the same.

Revamped our Leadership Behavioral competencies to reflect the exponential growth journey we have had so far and support the ambitious goals that lie ahead.

Testament to our strong employer brand – **61 percent of new joiners** were campus hires from Tier-1 colleges.

Two programs covering **110+ employees** were initiated to embed the safety culture at PI in collaboration with NITIE and IIT Madras.

We have **refreshed our Talent Identification and Development Framework** – Udbhav, to make it more holistic and rigorous.

Launched a **Management Development Program in collaboration with IIM Udaipur** for developing the business acumen of our senior R&D leaders.

Achieved substantial progress towards **workforce diversity with a 47 percent increase** in the number of women employees in management positions.

We witnessed a 90 percent increase over FY22 in learning hours logged in by the employees, **totaling to over 70,000 hours.**

Crafted a program that saw enrollment of **115+ scientific program students** in a three-month training program at a top technical institution, followed by a one-year shop floor program where they would be integrated into a variety of operational responsibilities.

We have initiated a 'Performance Coaching and Feedback' workshop for all people managers to enable them to effectively develop their teams. We also introduced **360 degree-feedback assessment** for all top management leaders.

Introduced the LinkedIn Learning Solutions, an app-based platform that gives users access to top content of more than **10,000+ modules** in addition to learning experience platform Percipio. We saw over 52 percent adoption for these modules.

Our yearly internal employee engagement survey, yielded an overall Engagement Score of **80 percent** and we have ensured that the feedback is translated into meaningful and measurable actions.

Our community outreach

In line with our commitment to corporate social responsibility (CSR), PI Industries consistently engages with the communities it operates as essential stakeholders. With its establishment in 2012, PI Foundation has taken concrete steps toward enhancing the quality of life for these communities. PI Foundation has implemented a wide range of initiatives aimed at skill development, women empowerment, health and hygiene, education, and sustainable agricultural practices. In FY23, PI Foundation's programs made a significant impact on various communities, fostering positive change and improving lives. As a leading company in the Agrochemicals and Life Sciences space, PI's CSR efforts have also ensured continuous intervention with farming communities in various states in the country. PI has consistently supported farmers with training and knowledge support on sustainable agricultural practices, integrated pest management as well as improved access to micro-finance.

Our community outreach for FY23 stood as below:

18,835
Farmers impacted

13,178 acres
Total area brought under sustainable cultivation

91,734
Total medical treatments administered through the Mobile Health Units

7,000
Women beneficiaries empowered

506
Total number of women-led SHGs formed

5,508
Total number of women reached through financial inclusion initiative

Employee volunteering

347 hours
Blood donation camp organized in Jambusar and Panoli

~30,000
Tree plantation drive conducted on 24-Mar-23 in Ankleshwar

Our commendations

India's Best CEO - Mr. Mayank Singhal, VCMD, PI Industries LTD. is India's best CEO in Agriculture and Allied sector in the Business Today in June 2020 - PwC Ranking

PI R&D team speaking at Engaging India at Almedalen event in Sweden in June 2023

Winner of the **Golden Peacock National CSR Award 2022**

PI ESG team speaking at Engaging India at Almedalen event in Sweden in June 2023

Winner of the **Golden Peacock National Quality Award 2022**

Mr. Mayank Singhal was chosen as the Chairman at CII-NR Regional Committee on Agriculture Food Processing & Dairy for FY23

Karkhana Suraksha Puraskar Award 2022 A testimony to the exceptional safety standards PI consistently maintains

PI Industries Limited featured amongst **India's Top 500 companies 2022** and received the Corporate Award 2022 for Outstanding Performance in a Dun & Bradstreet ESG Listing

03

FROM THE DESK OF OUR LEADERSHIP

Message from the **Chairperson**

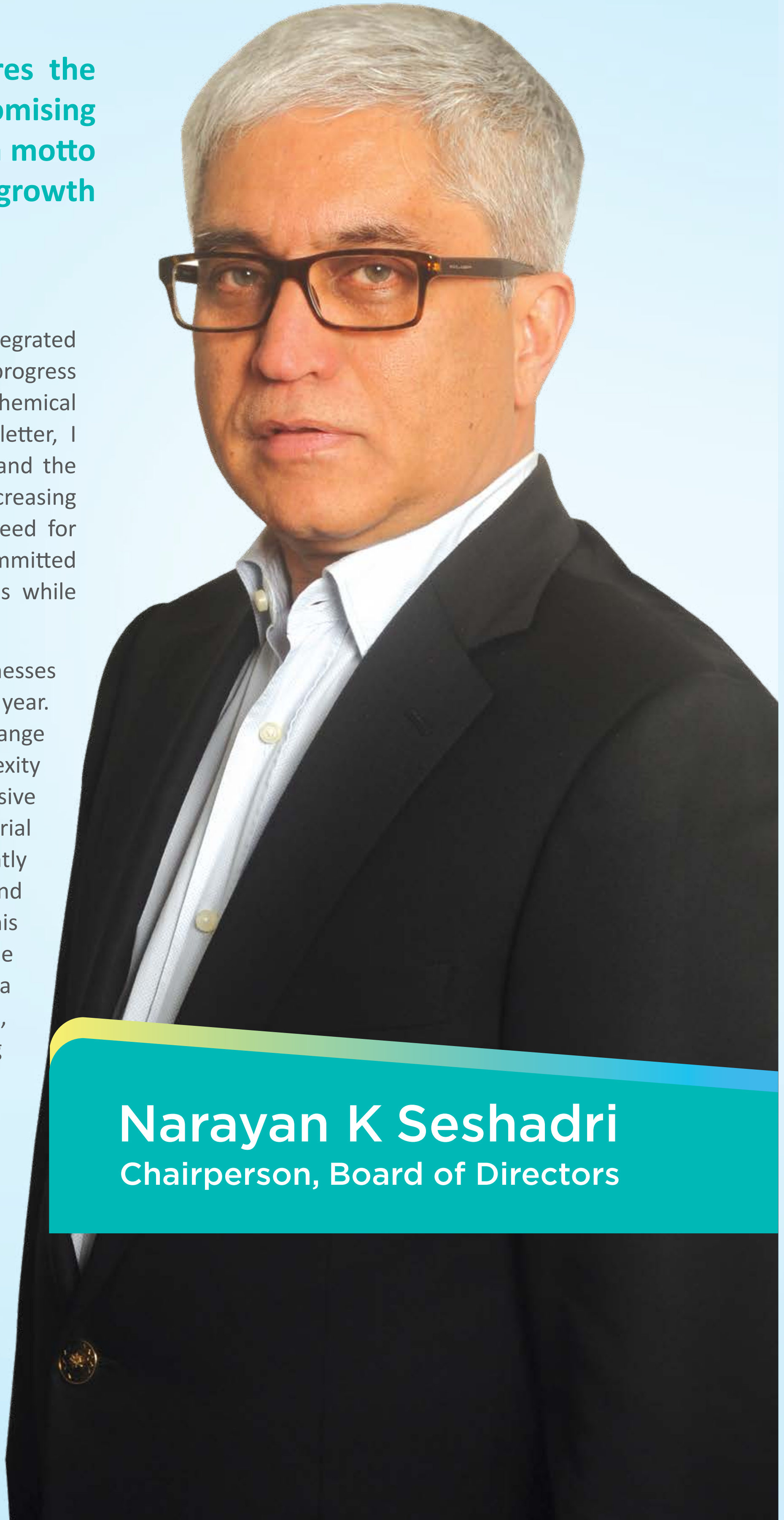
"Responsible growth that nurtures the needs of today without compromising the possibilities of tomorrow is a motto that PI has embedded in its growth journey.

Dear Shareholders,

I am pleased to present our first ever Integrated Report for FY23, reflecting upon the progress and accomplishments of our global agrochemical Company over the past year. In my last letter, I emphasized envisioning our next 75 years, and the need for a healthier planet. In an era of increasing environmental awareness and the urgent need for sustainable solutions, we have remained committed to our mission of transitioning our business while reimagining a healthier planet.

Amidst global economic uncertainty, businesses faced a multitude of challenges in the past year. Factors such as inflation, fluctuating exchange rates, and geopolitical tensions added complexity to the operating environment. The pervasive impact of supply chain disruptions, raw material shortages, and escalating input costs significantly influenced commodity prices. Keeping in mind the future implications of climate change, this year we witnessed a significant shift in the agrochemical industry's landscape, with a growing emphasis on sustainable practices, biodiversity preservation, and the well-being of our planet. As responsible corporate citizens, we have proactively embraced this transition, recognizing the importance of addressing the challenges posed by climate change, resource scarcity, food, and nutrition security.

Agriculture plays a pivotal role in addressing global challenges such as food and nutritional security, and as a global agrochemical Company, one of our primary objectives is to redefine our approach to agrochemicals and develop innovative,



Narayan K Seshadri
Chairperson, Board of Directors

"Embracing responsible growth for a better tomorrow, our key focus areas harmonize with NITI Aayog's 2030 India vision, encompassing measures to enhance farmers' income, ensure nutritional security, and foster sustainable food systems.

environmentally friendly solutions. Our research and development teams have been hard at work, collaborating with leading scientists and experts to create a new generation of products that reduce environmental impact without compromising productivity to address the food and nutritional needs of our planet.

With a growing global population, rapid urbanization, and increased expenditure on food consumption, our purpose to serve customers in both global and domestic markets becomes even more vital. Embracing responsible growth for a better tomorrow, our key focus areas harmonize with NITI Aayog's 2030 India vision, encompassing measures to enhance farmers' income, ensure nutritional security, and foster sustainable food systems. Areas we are focusing on for the future include the following:

Sustainable Crop Protection

Promoting sustainable agricultural practices and responsible use of crop protection chemicals, we emphasize adoption of integrated pest management practices, and follow responsible marketing and accurate labelling on all our products among the farming communities in India. Through advanced biotechnology and precision application techniques, we aim to minimize the ecological footprint while ensuring crop protection and productivity. We are also actively working to increase the share of biologicals in our product mix. In FY23, biologicals contributed 9.2 percent to the domestic agri brands revenues. Further reaffirming our commitment towards customer safety and protecting human health and the environment, all our products remain free from highly toxic substances.

Soil Health and Regeneration

Nurturing soil health today paves the way for responsible growth, ensuring a better tomorrow where sustainable agriculture thrives and our precious earth flourishes. Recognizing the importance of healthy soils for sustainable agriculture, we have invested in fostering key strategic alliances, research and education programs focused on soil conservation, restoration, and regeneration. In line with this commitment, PI Foundation has partnered with state agricultural universities. Furthermore, PI Foundation has formed a collaborative partnership with the District Administration in Bharuch district, Gujarat. This joint effort aims to implement an agricultural demonstration project, focusing on sustainable agricultural practices in the region. Our objective is to assist farmers in enhancing soil health and resilience by advocating for the promotion of organic matter enrichment, implementing reduced tillage practices, and encouraging responsible nutrient management. Through these approaches, we strive to support farmers in their efforts to improve soil quality and strengthen its ability to withstand environmental stresses.

Biodiversity Conservation

We firmly believe that agriculture should coexist harmoniously with nature. To that end, we continued to undertake significant efforts to promote biodiversity conservation efforts on farmlands, such as creating pollinator-friendly habitats, implementing integrated pest management practices, and partnering with organizations dedicated to increase forest cover and protect endangered species.

Climate-Smart Agriculture

Climate change presents formidable challenges to global agriculture. We are focused on driving innovation in our product offerings by building resilience to climate change impacts, improving agricultural productivity while minimizing negative environmental impacts and increasing farmers' earnings at the same time. Our national level climate-smart agriculture initiatives such as the Direct Seeded Rice (DSR) strive to support farmers in adapting to climatic change conditions and saving trillions of litres of water while mitigating greenhouse gas emissions. We proactively explore climate-resilient crop varieties, resource-efficient irrigation techniques, and carbon sequestration practices as part of our comprehensive approach.

Promoting inclusive decision making at PI

We undertook a restructuring of our board to enhance governance, diversity, and expertise, ensuring effective leadership for sustainable and impactful decision-making. The enhanced Board composition brings together a wealth of thought leadership, empowering us to embrace and adapt to the evolving landscape of the agrochemical and agriculture sectors. Notably, we have bolstered women's representation on the Board, achieving a remarkable 25 percent increase. This step ensures a more inclusive decision-making process, enabling us to meet the expectations of our stakeholders with a positive impact. Through these strides, we are poised to make informed and meaningful decisions that propel us towards a future of inclusivity and success.

We continued to focus on PI's Compass, which we evolved last year through a comprehensive thought exercise. The same enabled us to perform beyond expectations. We leveraged our rich capabilities of R&D, customer centricity, and digital focus to further align with our vision of "Leading with science, technology, and human ingenuity to create transformative solutions in life sciences". Our Custom Synthesis & Manufacturing business sustained and consistently delivered through our breakthrough innovation, with 4 products commercialized this year. Our domestic business also grew 12 percent year-on-year, on the back of volume growth and price increase of about 4 percent. Amidst ongoing global turmoil and supply chain challenges, India has displayed remarkable resilience, propelled by robust exports, steadfast domestic demand, and favourable growth drivers within the agriculture sector. Our strategic position in the global agrochemical industry is a testament to our alignment with India's growth narrative.

Our world class manufacturing facilities continued to operate safely and sustainably, and we continued to implement pioneering technologies for enhancing operational efficiency and integrating ESG effectively in our operations. Our consistent efforts towards embracing ESG in the way we operate at PI are reflected in our performance at select assessments and ratings. I am proud to share that PI has improved its S&P Global Corporate Sustainability ranking to 93rd percentile and retained the Ecovadis Gold Medal second time in a row. We further advanced in our ESG journey and revisited the material topics that are most significant to our Company and stakeholders through a comprehensive materiality assessment. Our engagement with key stakeholders, both internal and external, enabled us to garner valuable insights and perspectives on key ESG topics. This exercise surely has helped us integrate and address topics that will only serve to future-proof our business from key ESG-related risks.

Our people-first outlook and talent management strategy have proven successful in attracting and retaining top-tier talent, solidifying PI's position as an employer of choice in the Agrochemical Industry. Our commitment to initiatives like promoting Women in STEM roles, prioritizing Diversity, Equity & Inclusion (DEI), investing in learning and development, and fostering employee well-being through comprehensive physical and mental health programs have significantly elevated engagement and productivity levels. As we continue these efforts, we extend our purpose beyond our organization and into the communities we serve, delivering meaningful programs that make a positive impact.

Lastly, our strategic diversification through PI Health Sciences promises an exciting journey ahead of us as we expand and diversify into the pharmaceutical business. This will also keep us aligned with our vision of providing transformative solutions in life sciences and further strengthen our growth sustainably. On behalf of our Board members, leadership teams, and our employees we welcome you on this journey to come together for a better tomorrow.

Thanking you for your continued support.

Warm Regards,
Mr. Narayan K Seshadri
Chairperson, Board of Directors

Message from the
Vice Chairperson and Managing Director

"We are creating a roadmap for responsible growth for a better tomorrow using a multi-pronged growth strategy which is also supported by prudent financial management"

Dear Shareholders,

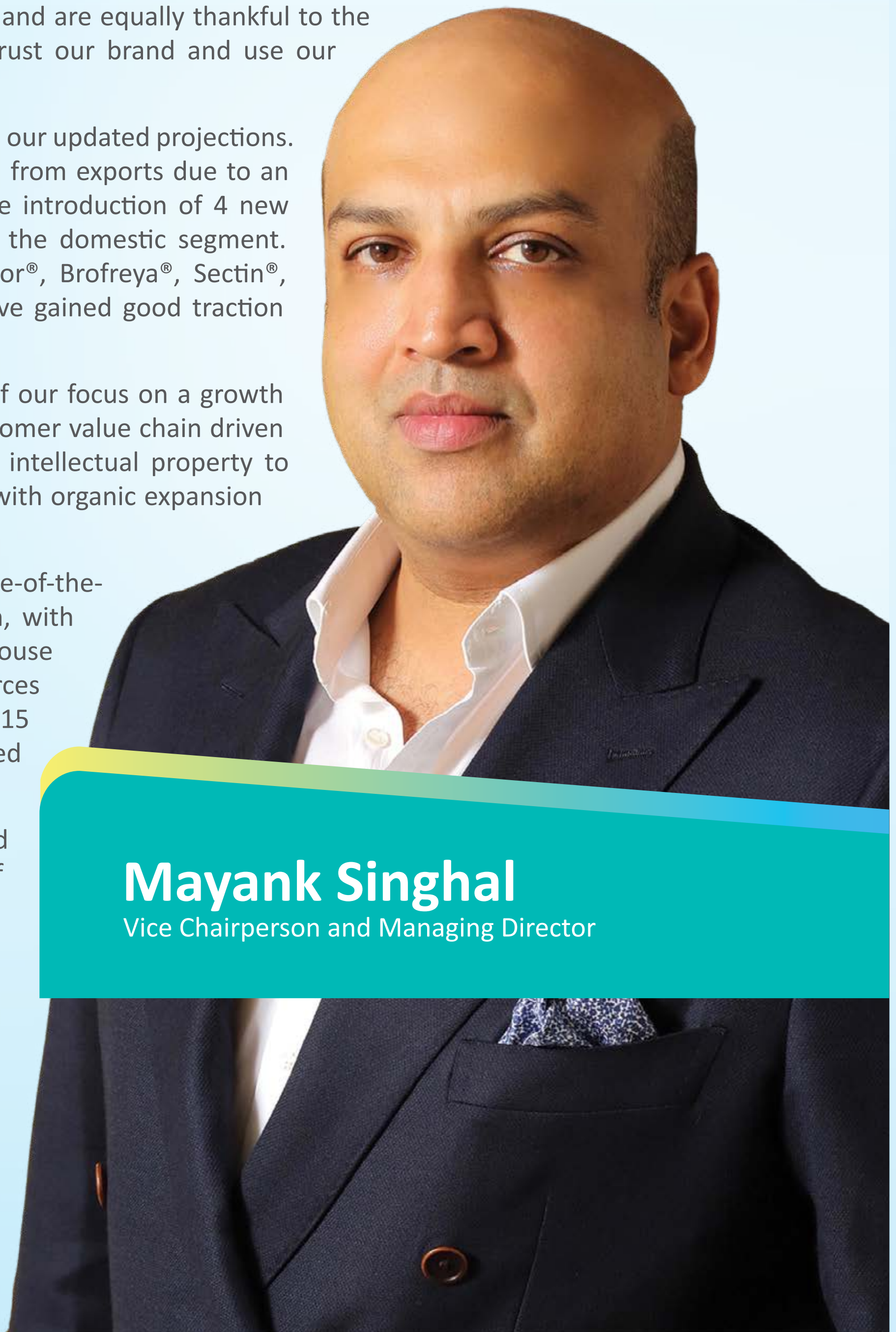
PI Industries has had another remarkable year, marked by consistent growth and high margins. We saw 23 percent growth in revenue from operations along with more than 46 percent year-on-year growth in profit after tax despite the global challenges that impacted our operating environment. We are extremely proud of our long-standing association with our global innovator partners and are equally thankful to the millions of Indian farmers who continue to trust our brand and use our products.

Our annual financial performance has exceeded our updated projections. We registered 26 percent year-on-year growth from exports due to an increased uptake on existing products and the introduction of 4 new products. We also saw 12 percent growth in the domestic segment. Our newly launched brands such as Distruptor®, Brofreya®, Sectin®, Provide®, Dinoace™, Taurus®, Tomatough® have gained good traction and acceptance.

Our strong performance has been the result of our focus on a growth strategy that is based on building a strong customer value chain driven by digitization and strategic tie-ups, focus on intellectual property to drive differentiation in the marketplace along with organic expansion and inorganic growth opportunities.

Our Product Innovation team leveraged the state-of-the-art integrated R&D set-up for crop protection, with chemical discovery, laboratory, and green house facilities for biological testing and farm resources for first field trials. FY23 we successfully filed 15 INPRV patents, taking the total count of filed patents to 147.

Our Process R&D team was actively engaged in more than 50 projects in the areas of agrochemistry, electronic chemicals, and product life cycle management. This year, we commercialized two new process innovations at Kilo Lab/Pilot Plant stage. With this, we significantly improved the process efficiency for large-scale manufacturing. Adding to our product stewardship initiatives, this approach will also result in a reduced environmental footprint, promoting the adoption of this technology for future projects.



Mayank Singhal
Vice Chairperson and Managing Director

We also invested extensively in developing a digital edge and building integrated capabilities throughout the organization. Our digital initiatives across application modernization, analytics, adoption of cloud technology, and strengthening our information security framework have helped to enhance operational efficiency, drive innovation, and improve the overall competitiveness in the marketplace.

One of our major achievements has been the adoption of cloud technology and the successful modernization of legacy applications. This has enabled us to be more agile and responsive to changing business needs. We have migrated key applications and workloads to the cloud thus, improving scalability, and reliability to help us reduce costs. We have also invested heavily in analytics enabling us to gain deeper insights into business operations and to make data-driven decisions. We further introduced electronic lab notebooks as an analytical tool to digitalize the process development data and facilitate information access from archives and other data sources.

Marking another milestone in our 75-year rich history and our entry into Pharmaceuticals, we recently completed two key acquisitions in the Active Pharmaceuticals Ingredients (API) and Contract Development and Manufacturing Organization (CDMO) space. This will be an opportunity for us to leverage our existing chemistry and R&D capabilities into expanding our global footprint for clinical research organization (CRO) and CDMO offerings.

As we enter our 76th year, our journey towards sustainability is being recognized globally. I was invited to the 4th edition of Engaging India@ Almedalen conference in Sweden to deliver the keynote address. It is a marquee conference held during Almedalen Week; Europe's most prominent platforms for stakeholders to showcase their success stories. Our approach of consciously choosing to embed environmental and societal responsibilities deep into PI's core DNA is now generating global interest. It is a matter of pride that we are seen as a symbol of a new India where growth is not only responsible, sensitive, and mindful and but is also inclusive and focuses on people-centric globalisation.

To that end, we are fundamentally pivoting to an R&D-driven products and services line where our going in position is that Nature is our teacher. Our innovation is focused on learning from nature, mimicking it, and working harmoniously with chemicals, green chemistry, and biologicals. Further, it is important to note that we at PI Industries are pursuing our growth

Mayank Singhal at Engaging India at Almedalen, Sweden

strategy with a strong bias towards respecting the natural limits and boundaries of Earth's resources. We introduced several initiatives under product stewardship to better manage our impact on the natural environment. In FY23, we recycled 14,699 KL of water through rain water harvesting and RO permeate. We also increased our use of renewable energy to 4.83 percent in the total electricity mix and reduced our carbon emissions intensity by nearly 17 percent from FY22. This approach to pursuing responsible growth for a better tomorrow will be the central tenet of all that we do going forward.

This is our first integrated report in accordance with the IIRC's <IR> Framework. It is a pivotal change in our reporting processes aligned with global best practices. PI Industries is adapting to the changing external environment with pronounced concerns around development that meets the needs of the present without compromising the ability of future generations to meet their own needs. By explaining the impacts and dependencies of our business model on all stakeholders and the natural environment, we encourage our readers and existing shareholders to look beyond our financial reporting and consider how we create value for the long term by managing the six forms of capitals viz. financial, manufactured, intellectual, human, social & relationship, and natural. The insights presented in this report will help in building a deeper understanding of the resources and relationships that are critical to PI's long-term success.

We are thus, creating a roadmap for responsible growth for a better tomorrow using a multi-pronged growth strategy which is also supported by prudent financial management. We hope that you will find this report informative.

Warm regards,

Mr. Mayank Singhal
Vice Chairperson and Managing Director

Message from the **Joint Managing Director**

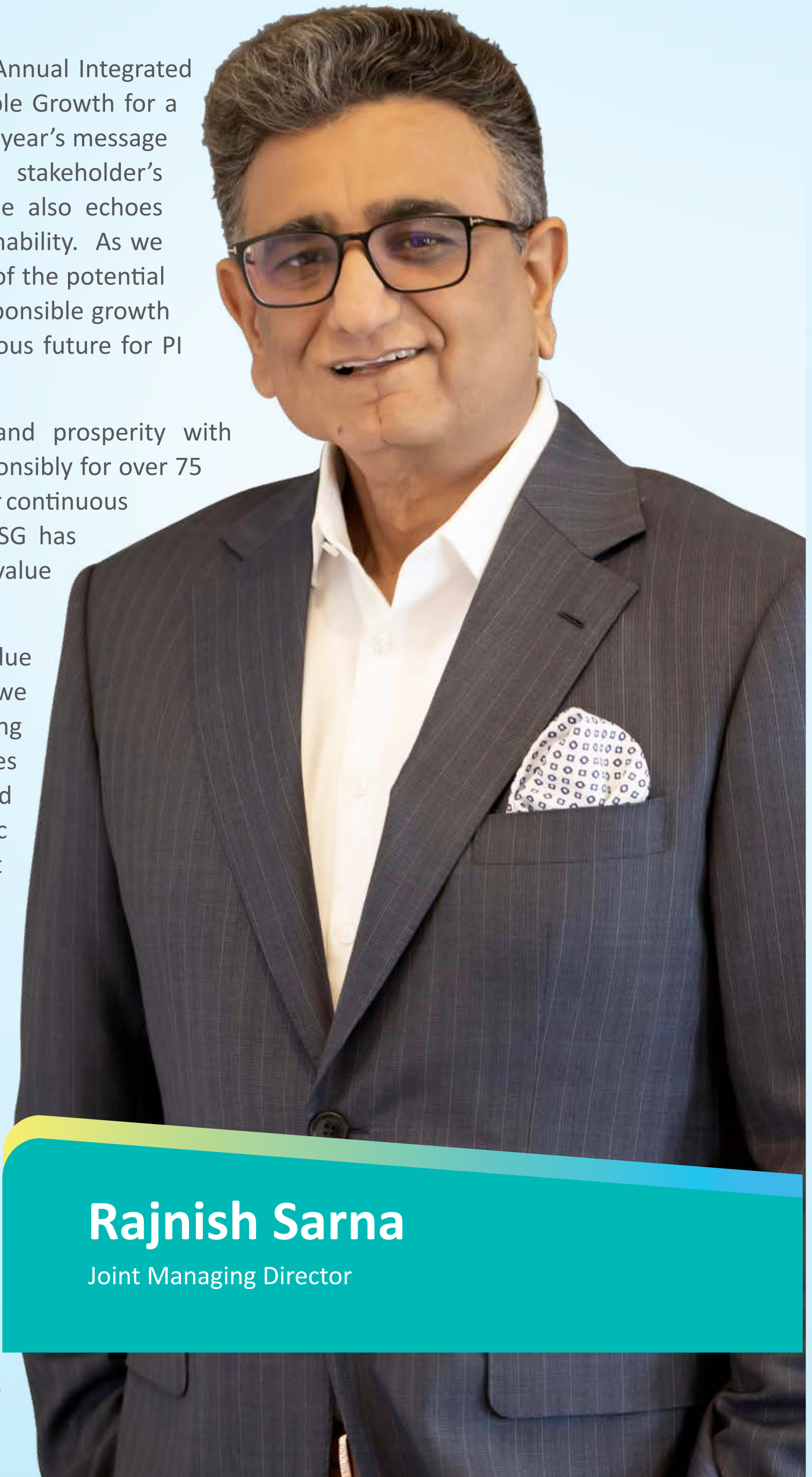
"Responsible growth is the compass that guides us towards a better tomorrow where progress is balanced with compassion and sustainability."

Dear Shareholders,

This year I am pleased to present our first ever Annual Integrated Report 2022-23 with a new theme of "Responsible Growth for a Better Tomorrow", which is a reflection of my last year's message to have a healthier planet and meet various stakeholder's expectations at the same time. Our new theme also echoes our commitment to economic growth and sustainability. As we accelerate our growth journey, we are conscious of the potential implications on our planet and communities. Responsible growth is the key to ensuring a sustainable and prosperous future for PI Industries and the next generation.

Our strategy of balancing economic growth and prosperity with sustainability has enabled us to stride ahead responsibly for over 75 years and create value both locally and globally. Our continuous focus on product innovation, technology, and ESG has enabled us to set the foundation for sustainable value creation for our stakeholders.

Despite many uncertainties in the year 2022 due to the war-induced rise in commodity prices, we continued to be resilient in times of record-breaking inflation and a surge in food and energy prices globally. Our growth in FY23 can be attributed to various factors which include the strategic curation of a relevant and favourable product mix, as evidenced by the increased uptake of our existing products and the positive reception of newly launched products. Additionally, notable enhancements in our operating leverage and effective management of net working capital played a significant role, among others. In terms of export orders, growth was primarily driven by scaling up the existing product pipeline and the successful commercialization of new offerings. This was further supported by favourable price-mix dynamics within a conducive foreign currency environment. On the domestic front, our growth was volume-driven, while we successfully navigated rising input costs by implementing appropriate pricing adjustments.



Rajnish Sarna
Joint Managing Director

Furthermore, efforts were made to optimize efficiencies across our operations. Our continued thrust on best-in-class research and manufacturing practices helped in ensuring an uninterrupted scale-up of our operations. The growth in our people has enabled us to serve our customers reflecting in enhanced customer engagement. We have further strengthened our outreach to over 3 million Indian farmers enabling them to increase their yield and productivity, a testament to our partner-centric approach, further addressing the nutritional needs of our growing population.

We further progressed on our path towards strategic diversification, to mark our play in the pharmaceutical CDMO space. These strategic acquisitions highlight our ambition to building a differentiated pharmaceutical business model and serve a large addressable global market.

Responsible growth is the compass that guides us towards a better tomorrow, where progress is balanced with compassion and sustainability. Through this notion, our approach towards sustainability has emerged as a viable business strategy driving product innovation through focused R&D efforts on developing biological and green solutions for a sustainable future and driving cost-effectiveness.

We look at ESG as a driver of sustainable value creation at PI. Our levers for strategic growth in the form of adaptive controls through digital solutions have helped us optimize yield, quality, energy efficiency, and throughput. Our ability to establish backward integration of key products has enabled us to drive sustainable solutions and gain cost competitiveness effectively. These achievements have significant contribution to our business, and we see these strategic ESG levers as growth engines for PI in the future.

Our continuous efforts towards achieving PI's 2025 Sustainability Goals enhanced our focus on renewable energy consumption, reduction in specific CO_2 emissions, and water consumption. Our focus on fostering a positive and inclusive work environment saw us implement comprehensive wellness programs, increase access to mental health resources, and more work-life balance initiatives. These measures have not only increased employee satisfaction and productivity but have also reinforced our commitment to valuing our greatest asset: our people. We continued to foster our community engagement efforts, through diverse programs implemented by PI Foundation. From supporting local education, skill development, agricultural, health, and women empowerment programs to volunteering efforts, we strived to make a meaningful difference in the lives of those around us.

As we venture into the future, the year 2023 brings with it a landscape of potential global challenges. The Agrochemical industry must navigate the evolving complexities of issues such as inflation, energy crisis, climate change, shifting consumer preferences, war conflicts, supply chain shocks, and fluctuating commodity prices. These challenges present both hurdles and opportunities for the industry to adapt, innovate, and contribute towards sustainable solutions.

We must anticipate and address these challenges proactively, fostering resilience and driving positive change in the face of a rapidly changing world. Grounded in the belief that responsible growth will create a better tomorrow, we hope to be able to cater to not just customer needs but also societal concerns at large while remaining true to our growth strategy. We remain bullish on the Company's outlook, supported by a multi-pronged strategy of sustaining the growth momentum of our core business and aggressively pursuing inorganic growth opportunities. This approach entails two key aspects: first, sustaining the growth momentum of our core business; and second, effectively integrating and expanding new business ventures. We must continue diversifying our product portfolio and enhancing our technology offerings, thereby bolstering our product pipelines. By diligently pursuing these strategies, we aim to ensure the long-term sustainability and success of our Company.

With a future-looking outlook and a new journey ahead of us in life sciences, we are well prepared through our innovative product offering, technologically driven operations, sound global relationships, and sustainability focus along with a strong team backed by a visionary Board. I thank all our shareholders for being committed to our philosophy of Responsible Growth and we seek your continued support and look forward to your patronage in the future.

Warm regards

Mr. Rajnish Sarna
Joint Managing Director

04. MATERIALITY ASSESSMENT

Identifying key material issues for responsible growth

In our pursuit of responsible growth and building a better tomorrow, undertaking the materiality assessment is a crucial step. By understanding these material issues, we can focus our efforts and resources on the areas that truly matter, enabling us to create a positive impact in the present operating context and drive sustainable development keeping the future needs of the planet in mind.

Stakeholder value creation is always a top priority, and we consistently strive to identify, evaluate, and assess what are the topics of materiality. In FY23, we deepened our approach to materiality and undertook a fresh assessment to identify the material topics which matter to our success and our stakeholders.

Identification of material topics

In our materiality assessment this year, we thoroughly reviewed and updated our priorities, aligning them with both national and global counterparts. The material topics for the FY23 assessment were identified through a comprehensive review of PI Industries' previous materiality assessments in 2018-19 and 2020-21. This involved comparing the topics and their performance across both assessment cycles to ensure accuracy and relevance.

Review of frameworks

A comprehensive review of key global sustainability frameworks enabled us to benchmark PI's preparedness towards the rapidly changing global trends, presenting both risks and opportunities that are focused on larger societal outcomes of food security and nutrition.

Before embarking on a refreshed materiality assessment, we conducted interviews with multiple stakeholders on our assessment of the external environment and what they consider as material issues that would impact PI Industries in the future. Basis the assessment, we drafted a detailed materiality questionnaire.

Aligning Key Topics for Sustainable Impact

Our revamped materiality questionnaire integrated a total of 22 materiality topics which were categorized into Environmental, Social, Governance and Economic dimensions. The GRI Sector Standards and criteria served as the primary guidance for formulating the questions and categories in the assessment process.

While introducing new topics and re-evaluating their importance based on stakeholder perceptions, we ensured their relevance to our business. Among the material topics identified, some were unique to our perspective but deemed crucial. These topics include soil health, biodiversity, nutrition, and food security, economic inclusion, labor conditions and relationships, and customer engagement. We share common ground with our national and global peers on environmental concerns like water management, environmental impact, energy efficiency, emissions reduction, and supply chain sustainability. Furthermore, we have recognized the significance of chemical substances, including hazardous waste and pesticides, as essential material topics.

Stakeholders have emphasized certain topics as highly material, as they directly impact our business continuity and ethical practices. Our global outlook aligns with our ambitious objectives, and we are proud to be at the forefront, alongside our global peers, in recognizing the materiality of information and communication technology (ICT) for maintaining our competitive edge. Our material topics reflect both national and global industry trends, combining subjects like economic performance and growth and supply chain sustainability prevalent among our national peers, with global concerns such as soil health, biodiversity, and nutrition and food security.

Environmental	Social	Governance and Economic
Greenhouse gas emissions and energy	Occupational health and safety, Employee wellbeing	Corporate Governance and Business Ethics
Chemical substances	Product Stewardship	Risk management
Water and waste management	Human capital management	Customer responsibility initiatives
Biodiversity	Local Communities	Supply chain management

Increase in priority from 2021 Materiality assessment

Anti-corruption/Corporate Governance and Business Ethics	Environment Management/ Waste Management	Energy management
Supply chain sustainability	Materials	OHS & Emergency Preparedness

Deprioritized critical topics from 2021 Materiality assessment

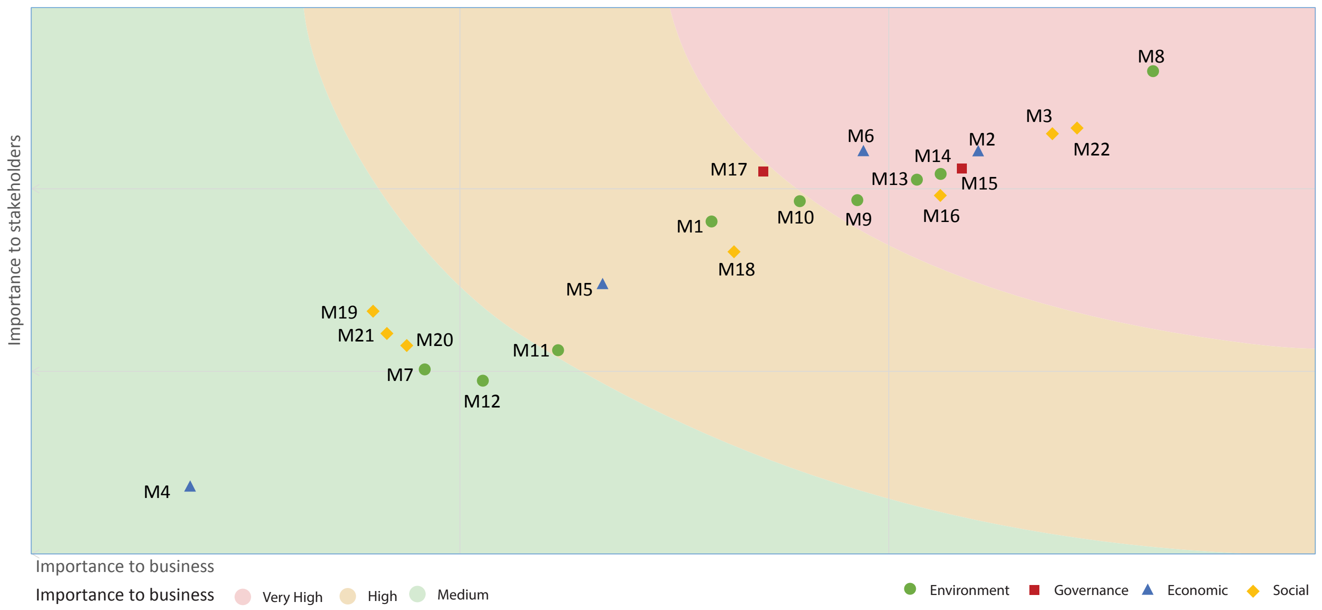
- Local communities

New topics included in the Materiality assessment

Contribution to ICT innovation	Risk Management	Soil health
Biodiversity and ecological conservation	Employee benefits and Labour Conditions and Relationship	Customer Engagement
Nutrition and Food Security	Economic Inclusion	

Materiality Matrix 2022-23

PI Materiality Matrix 2022-23



Environment - Climate Change	High	M1
Economic - Contribution to ICT Innovation	Very High	M2
Social - Customer Responsibility Initiatives	Very High	M3
Economic - Nutrition & Food Security	Medium	M4
Economic - Supply Chain Management, Product Safety and Quality Assurance	High	M5
Economic Performance	High	M6
Environment - Biodiversity and Ecological Conservation	Medium	M7
Environment - Chemical Substances	Very High	M8
Environment - Emission Control	High	M9
Environment - Energy Management	High	M10
Environment - Materials	High	M11
Environment - Soil Health	Medium	M12
Environment - Waste Management	Very High	M13
Environment - Water Management	Very High	M14
Governance - Corporate Governance and Business Ethics	Very High	M15
Social - Human Rights and Inclusion	High	M16
Governance - Risk Management	High	M17
Social - Benefit and Employee Care	High	M18
Social - Community Support Initiatives	Medium	M19
Social - Economic Inclusion	Medium	M20
Social - Labor Relationship	Medium	M21
Social - Occupational Safety and Employee Health	Very High	M22

Material Topic	Criticality	SDG Alignment	Initiatives undertaken and our achievements in FY23
Economic - Contribution to ICT Innovation		8 DECENT WORK AND ECONOMIC GROWTH	• We invested extensively to build integrated digital capabilities across the organization • This includes application modernization, adoption of cloud, and strengthening the information security framework to enhance operational efficiency, drive innovation, and improve our competitiveness in the marketplace
Economic - Customer Responsibility Initiatives		2 ZERO HUNGER	• We conducted in-person product trainings and field demonstrations on key crops and ran a social impact campaign promoting integrated pest management for chilli crops • We diligently follow product labelling guidelines to promote safe product use
Economic - Nutrition & Food Security		2 ZERO HUNGER 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	• Our CSR efforts through PI Foundation promote sustainable agricultural practices through collaborations with state agricultural universities • We run dedicated campaigns on effective use of pesticides for integrated pest management and improvement of yields
Economic - Supply Chain Management, Product Safety and Quality Assurance		8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	• We have embedded the code of conduct in all supplier engagement contracts to ensure fair working conditions • We screened 100% of newly onboarded suppliers on environmental criteria in FY23
Economic Performance		8 DECENT WORK AND ECONOMIC GROWTH	• 23% CAGR of Revenue from operations over the last five years • 28% CAGR of EBITDA over the last five years • 32% CAGR of PAT over the last five years
Environment - Climate Change		13 CLIMATE ACTION	• Our manufacturing locations have integrated environment management capabilities such as moving bed biological reactor to recycle water, investment in captive solar power plants to increase use of renewable energy, and a gradual shift towards converting sites to zero liquid discharge
Environment - Biodiversity and Ecological Conservation		15 LIFE ON LAND	• This year we also planted a green cover with endangered species of trees on 58,000 square meters of land around plant locations

Very High High Medium

Inspired by Science

Material Topic	Criticality	SDG Alignment	Initiatives undertaken and our achievements in FY23
Environment - Chemical Substances		6 Clean Water and Sanitation; 12 Responsible Consumption and Production	• We aim to increase the share of biologicals in our domestic agri brands portfolio • We are fully compliant with national laws on hazardous waste
Environment - Emission Control		9 Industry, Innovation and Infrastructure	• Through concentrated efforts, we have reduced our carbon emissions intensity by about 17 percent from FY22
Environment - Energy Management		7 Affordable and Clean Energy	• We invested in captive renewable energy production and procurement from renewable sources
Environment – Materials		11 Sustainable Cities and Communities	• We optimize input material usage through solvent recovery and reuse processes
Environment - Soil Health		2 Zero Hunger; 15 Life on Land	• We have replaced the hazardous substances in our products, we are working to improve the EcoScale of our products to reach the top bracket • We also aim to increase the share of biologicals in our domestic agri brands portfolio
Environment – Waste Management		11 Sustainable Cities and Communities	• We utilize E-factor calculation metrics to track waste generated • We employ best in class waste management practices and have partnered with registered waste handlers and other industries for waste recycling and reuse through co-processing
Environment - Water Management		6 Clean Water and Sanitation; 12 Responsible Consumption and Production	• Through our continuous focus on water stewardship, we have been promoting climate-resilient agricultural practices that require less water • We have introduced and implemented practices at our manufacturing plants to minimize the use of fresh water while also treating our discharge
Governance - Corporate Governance and Business Ethics		16 Peace, Justice and Strong Institutions	• We uphold the highest standards of corporate governance and business ethics and follow a strong compliance management system • We revisit our compliance management system periodically to stay updated and in line with regulations
Governance - Risk Management		11 Sustainable Cities and Communities; 13 Climate Action	• We have a robust risk management system which includes the identification of such risks, their analysis and formulation of risk management and mitigation strategies, and implementation of the same

Very High High Medium

Material Topic	Criticality	SDG Alignment	Initiatives undertaken and our achievements in FY23
Social - Human Rights and Inclusion		4 Quality Education; 10 Reduced Inequalities; 16 Peace, Justice and Strong Institutions	• Our code of conduct policies for employees as well as suppliers promotes zero tolerance for human rights violations. • We have taken measures to increase the participation of women and persons with disabilities in the workforce
Social - Benefit and Employee Care		8 Decent Work and Economic Growth	• Our employees have health and life covers and have access to some of the best available health facilities. Besides this, we provide our employees with learning and development opportunities through access to learning platforms and partnering with institutions
Social - Community Support Initiatives		6 Clean Water and Sanitation; 15 Life on Land	• We continue to serve the communities we operate in. We have implemented initiatives to promote women's empowerment, education, WASH, and sustainable agricultural practices in our communities
Social - Economic Inclusion		10 Reduced Inequalities	• Our competitive salary structure ensures that our employees'remuneration is more than the living wage permitting them to afford a decent standard of living
Social - Labour Relationship		8 Decent Work and Economic Growth	• Various policies have been instituted to ensure equal opportunity, safety at the workplace, right against discrimination at the workplace, and fair working conditions. The leadership engages with the employees through townhalls and various forums to promote social dialogue. The grievance redressal mechanism also ensures that reported issues are duly addressed
Social - Occupational Safety and Employee Health		3 Good Health and Well-being; 8 Decent Work and Economic Growth	• The safety and health of our people at the workplace is our prime focus. All our manufacturing facilities are ISO 45001 certified. We continue to track our key safety metrics such as Lost Time Injury Frequency Rate (LTIFR), Process safety events rates, and the severity rate

Very High High Medium

05

FUTURE OUTLOOK

Future outlook

Our operating environment

Embracing responsible growth in food and agriculture today paves the way for a better tomorrow, where sustainable practices harmonize with the needs of people and the planet. Food and agriculture are vital for the well-being of humanity, providing nourishment and sustenance to meet the needs of a growing global population. Agriculture is a significant sector in many economies, particularly in developing nations, supporting livelihoods and offering economic opportunities. A resilient agricultural sector stimulates economic activity, raises incomes, and contributes to poverty alleviation.

The agrochemicals industry is poised for growth considering the global population growth rate and the rising need to meet food and nutritional security. Further, there is a growing need for more crop protection agents to protect against crop losses and increase yields, rising consumer demand for sustainably produced food, and agrochemicals' role in tackling climate change by reducing the need to convert forests to farmlands, thereby reducing potential greenhouse gas (GHG) emissions[1].

However, this growth streak is not without its set of challenges such as longer product development cycles due to supply chain disruptions and escalating input costs, increasingly stringent regulatory requirements in view of climate change and shrinkage in arable land, fluctuating government farm subsidies; along with the pressure to switch to biologicals. Industry leading agrochemicals organizations have managed to stay ahead of the curve by creating differentiation through innovation, expanding their geographical presence, and increasing direct customer engagement to provide value to farmers.

Some of the key strategic themes going forward will be the optimization of product portfolio, expanding geographical presence, focus on research and development (R&D) to develop and commercialize new products, and integration of digital capabilities for deeper farmer engagement.

[1]*Agriculture chemical industry outlook: A look at the future for agrochemicals and plant science businesses; published by Deloitte in 2019*

Indian context

India has a rapidly growing population, which is expected to surpass 1.67 billion[2] by 2050. The increasing population will have a bearing on the demand for food, demanding agricultural growth to ensure food security and meet the nutritional needs of the growing population. Beyond population rise, India is also expected to witness a rise in income, fueling a shift in consumer dietary and consumption patterns. This shift will have potential opportunities for agricultural diversification and value addition along the food supply chain.

The agrochemical industry continues to remain one of the leading industries with high growth potential through 2025, according to the Federation of Indian Chambers of Commerce and Industry (FICCI). Primarily export-driven, the Indian agrochemicals exports have registered a growth rate of 11.5 percent as of March 2023.

The Indian government is focused on increasing farmers' incomes to increase production and is promoting new technologies in crop inputs and ag tech to improve the harvest. With 29 percent yield loss on average to weeds, pests, and disease, there is a strong push towards crop protection as well as soil enhancement.

The domestic market is driven by the demand for insecticides and fungicides. As the government also shifts focus to promote sustainable agricultural practices, there is an inclination towards the use of bio-pesticides.

The government intends to leverage the wide network of Krishi Vigyan Kendras and Pradhan Mantri Kisan Samruddhi Kendras to support farmers with fertilizers, seeds, soil testing, and farming technique information. There is also a two-year approval order in place since 2022 for drone-based spraying for most registered pesticides to address destruction from locusts, as part of the push for technology in agriculture.

Agrochemicals industry in India: Key statistics

Source: Tech bulletin published by ICAR –Directorate of Weed Research on 14-Feb-23; Press release published by the Ministry of Agriculture & Farmers Welfare on 14-Feb-23, Monthly bulletin on Foreign Trade published in Mar 2023

[2]*UN World Population Report, 2022*

Focus on drone-based spraying for most registered pesticides as part of the government's push for technology in agriculture

PI's approach to responsible growth

We have cultivated our expertise, fostered effective relationships with stakeholders, and made strategic investments to promote both organic as well as inorganic growth. Our approach revolves around the principle of "Responsible Growth," where we continuously uphold high standards of business ethics.

Our anchor for responsible growth is research and development(R&D) driven innovation. PI Industries Limited has a state-of-the-art R&D facility, a large customer distribution network, strong infrastructure set up in India, and sustainable and responsible business at the core of our philosophy.

We prioritize sustainable practices that contribute to the long-term well-being of the environment and society. PI Industries is actively investing in product development, distribution networks, and technology to enhance overall value for all involved parties. While our export business continues to witness a high growth rate, our domestic segment has also registered consistent growth at 12 percent from the past year. We envision ourselves leading with science, technology, and innovation to create transformative solutions in life sciences.

Our outlook remains optimistic, with a goal of 18-20 percent revenue growth backed by continued margin and return enhancements. A world-class R&D set up and technological capabilities will expand our future business pipeline. Our growth will be driven by a portfolio of new domestic product launches and a robust R&D pipeline for Custom Synthesis and Manufacturing (CSM) exports consisting of four to five new products that will be commercialized annually, complementing a forecasted rise in inquiries and conversions. Continued thrust on best-in-class manufacturing practices to ensure uninterrupted scale-up with growth will be driven by capacity expansion under the current plan. In Jivagro, we are implementing a "Dual Growth Engine" in the domestic market with a focus on the horticulture industry.

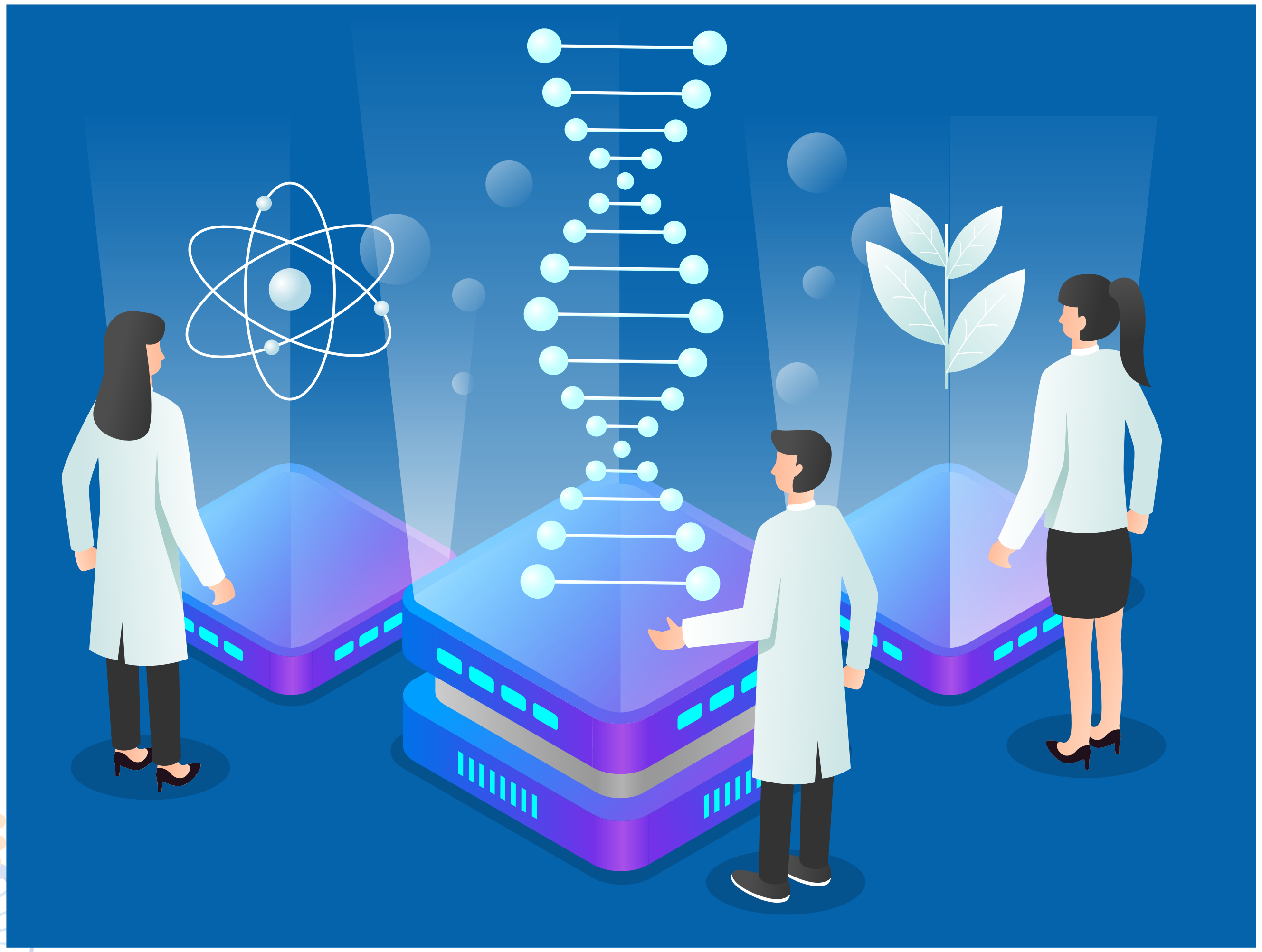
We are progressing on a strategic path of diversification, with dual acquisitions in the Pharmaceutical and CDMO sector. We seek to combine the R&D capabilities of the acquired companies with the integrated pharmaceutical research center being developed in Hyderabad. We are continuing to work with global advisors and innovators for business integration and transformation over time.

> "Our outlook remains optimistic, with a goal of 18-20 percent revenue growth backed by continued margin and return enhancements. A world-class R&D set up and technological capabilities will expand our future business pipeline.

We are geared to steer our business in line with our 2025 sustainability objectives. We are on track to increase the use of renewable energy to 20 percent of total energy consumption and reduce specific CO_2 emissions, hazardous waste disposal, and freshwater consumption by 25 percent. We aim to sustain zero fatalities in plant operations and strive to increase the number of women in leadership positions by 25 percent.

We will continue to maintain stringent but pragmatic financial controls, particularly while navigating the uncertain economic environment and we will continue to be persistent with our cost optimization and waste reduction efforts. Effective risk management will continue to be a top priority and strengthen the Company internally to meet the best practices across functions.

Disclaimer: As changing circumstances may cause deviations in forecasts and predictions herein, investors and all other stakeholders are advised not to place undue reliance on such opinions and forecasts in making these decisions.



06 GOVERNANCE STRUCTURE

Stakeholder universe and engagement

At PI Industries, we understand the critical importance of fostering strong relationships with our stakeholders. We recognize the synergetic nature of these partnerships and have meticulously mapped the value we add to each collaboration. To nurture these valuable relationships, we actively engage with our stakeholders through a diverse range of media channels. This multi-faceted approach has not only built trust and credibility but has also enhanced our reputation in the industry. Furthermore, these engagement channels and forums serve as valuable platforms for us to gain deeper insights into emerging risks and opportunities while creating spaces that foster innovation.

> **"We actively listen to our stakeholders' concerns and ideas, respond to their feedback, and incorporate their views into decision-making.**

Stakeholder	PI's offering	Importance to PI	Engagement process/ method of communication	Key concerns addressed
Investors/ Shareholders	• Return on Investment, Return on Equity and Total Shareholder Returns • Portfolio growth • Customer base and geographical presence	• Funding and capital investment • Network and information • Financial and operational discipline	• Investor meetings • Annual general meetings • Periodic correspondence	• Company's performance • Outlook and strategy • Corporate governance • Focus on sustainability
Customers	• Strong brand • Quality product • Competitive price • On time delivery • Technical expertise • Product offering	• Increase in market share • Revenue growth • Market readiness	• Annual meetings with sales associates • Website, product brochures, newsletter, social media • Forums, seminars, and conferences • Customer satisfaction survey • Field demonstrations and trainings	• Responsible product use • Product innovation • Quality and service • Sustainable agricultural practices
Suppliers	• Business continuity • Capacity building • Portfolio growth	• Business continuity • Cost optimization • Operational leverage • Lean manufacturing	• Tendering process • Annual and half-yearly supplier audits • Supplier surveys • Meetings by purchase department	• Responsible procurement practices

Stakeholder	PI's offering	Importance to PI	Engagement process/ method of communication	Key concerns addressed
Employees	• Fair wages • Well-being • Learning and employee development	• Competitive advantage • High workforce efficiency	• Employee satisfaction • Talent retention • Remuneration and other employee benefits • Grievance resolution • Diversity and equal opportunity • Safety, health, and well-being	• Organization's growth and strategy • Learning and development • Performance management • Grievance redressal mechanisms • Fair working conditions • Occupation health and safety
Community	• Sustainable development of communities	• Lasting value for societies in which we operate	• Sustainable agriculture • Community well-being • Infrastructure development • Local employment • Women empowerment • Impact Assessment	• Access to primary health care • Financial inclusion • Employment and livelihood support • Sustainable agricultural practices • Skill development • Infant mortality
Educational Institutions	• Future talent supply • Research and development • Employee learning	• Fulfill future talent demand • Knowledge transfer • Industry thought leadership • Contribution to research and development	• Campus engagement • R&D partnerships • MoUs	• Management training • Research and development activities
Industry Bodies and Media	• Sharing of best practices • Thought leadership • Collaboration	• Understanding industry trends • Industry outreach • Media coverage and Company branding	• Memberships • Regional, national, and international seminars • Industry body meetups	• Regulatory compliance • Product innovation

Corporate governance at PI Industries

Conscious oversight is part of a focused organizational culture in PI Industries. that has over the years built a culture of trust, transparency, and accountability at all levels. Our corporate governance framework not only reflects this culture but also enables it with a long-term direction, proactive decision-making processes for strategic investments, and progressive organizational policies for resilient growth. The impact of our robust corporate governance systems can be seen as one of the key elements of PI Industries sustained growth and the confidence shown by our shareholders. The Board is the primary layer of Corporate Governance oversight and strategic direction at PI Industries. The Board is composed of Executive, Non-Executive, and Independent Directors. It is a highly engaged and consciously designed layer to cater to PI Industries traditional agility and its deep-rooted philosophy of Responsible Growth. The Board and all its members comply with the provisions of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The appointed members of PI Industries' Board bring a wealth of industry experience, with each member having over 30 years of expertise in key areas such as general corporate management, strategy, finance, banking, taxation, risk management, mergers & acquisitions, human capital & compensation, technology, legal, and regulatory fields. This ensures that the Company has access to a vast pool of worldly wisdom, industry knowledge, and sectoral experience, which is invaluable for its growth journey.

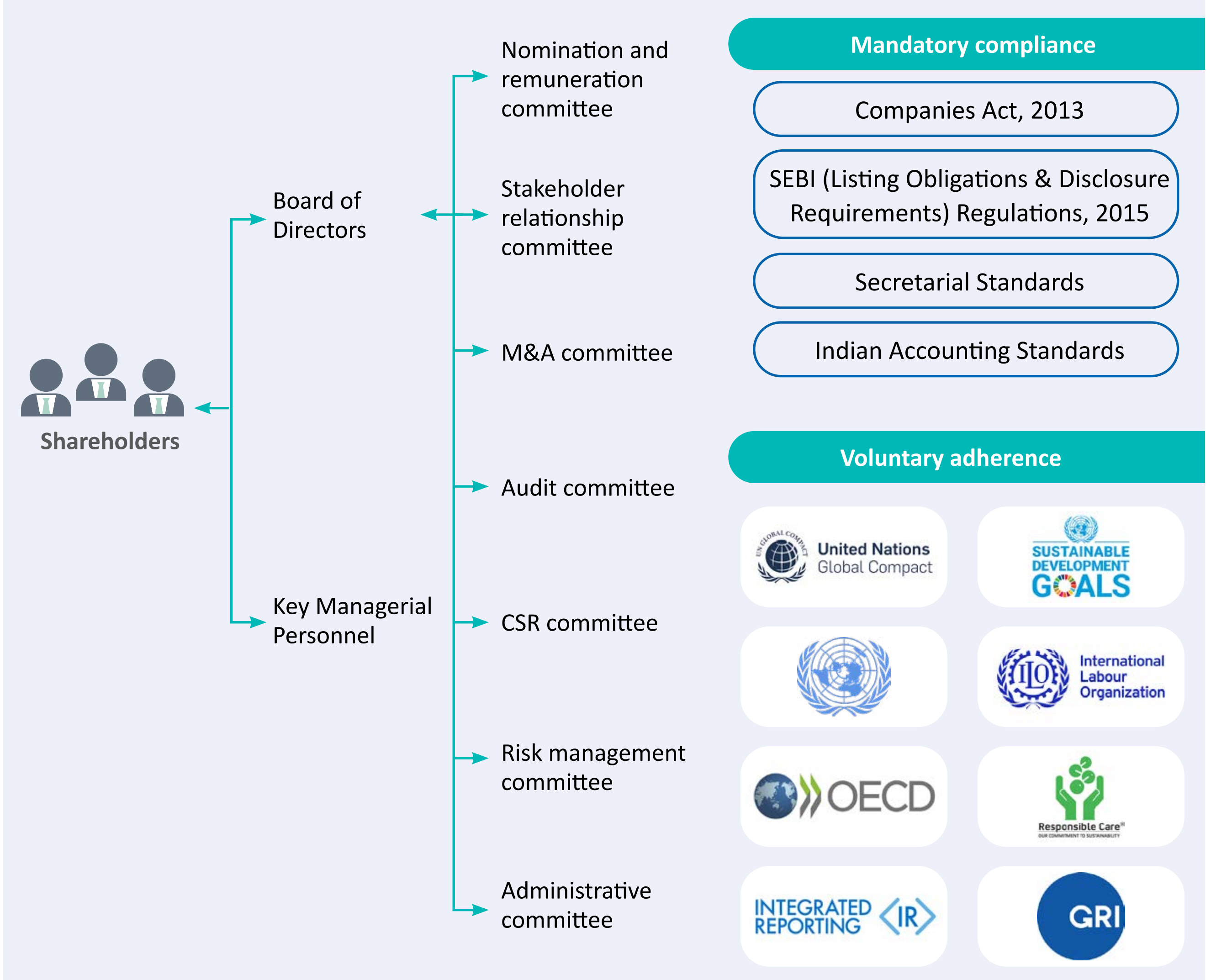
The Independent Directors play a crucial role in maintaining a balanced approach within the Board. They work equidistantly with the Executive and Non-independent Directors, actively engaging in strategic oversight and deliberations concerning various areas, including strategy, performance, risk management, resource allocation, key appointments, and overall standards of conduct. This equitable involvement ensures a fair and transparent decision-making process, upholding the principles of good corporate governance.

To further enhance corporate governance, PI Industries has established various committees at the board level. These committees act as a complementary layer to the Company's governance structure, leveraging the specific expertise, time, and commitment of the elected board members. These Committees are responsible for specific accountability-related guidance, including scrutinizing management performance in meeting agreed goals and objectives and monitoring the reporting of performance. The policies and processes implemented at PI Industries are designed to support informed oversight and the functioning of the Board and its Committees. These policies provide a framework for effective governance, enabling the Board to fulfill its responsibilities and ensure the company's success.

Corporate governance mechanisms and processes are key strategic instruments for PI Industries to spot risks and opportunities in the mid- to long-term horizon. Since sustainability is both an opportunity and risk, it is a pivotal determinant in board-level decision-making. As part of its proactive Corporate Governance approach, PI Industries established a distinguished Risk Management Committee (RMC) this year. The RMC assumes the crucial responsibility of overseeing all aspects pertaining to both the strategic risks inherent to our organization and the nascent risks that may arise in the course of our operations. As on March 31, 2023, the committee comprises of four Members including one Independent Director of the Company.

Additionally, to further firewall and gate decision-making processes, we have also restructured our Board this year. With this restructuring, 50 percent of our Board now consist of Independent Directors with 25 percent elected women directors. Our key Board Committees are now chaired by Independent Directors. Further, the Nomination and the Remuneration Committee and the Audit Committee do not include an Executive Director among its members. To ensure independence, we have also implemented a separation of roles for the Managing Director and the Chairperson of the Board. Our Business Unit CEOs also maintain independence by not being part of the Board of Directors. External evaluation of the performance of the Board, Individual Directors as well as evaluation of the working of its Committees has improved governance score by proxy agencies. The new Board composition adds to rich and diverse thought leadership, which will enable us to be resilient and adapt to the emerging future of the agrochemical and agriculture sectors.

Corporate governance framework



Pillars of corporate governance at PI Industries Limited

Accountability	Transparency	Fairness	Assurance	Leadership	Stakeholder management

A detailed note on the various Board level committees and regulatory compliance has been included in the Board Report and Corporate Governance Report appended below.

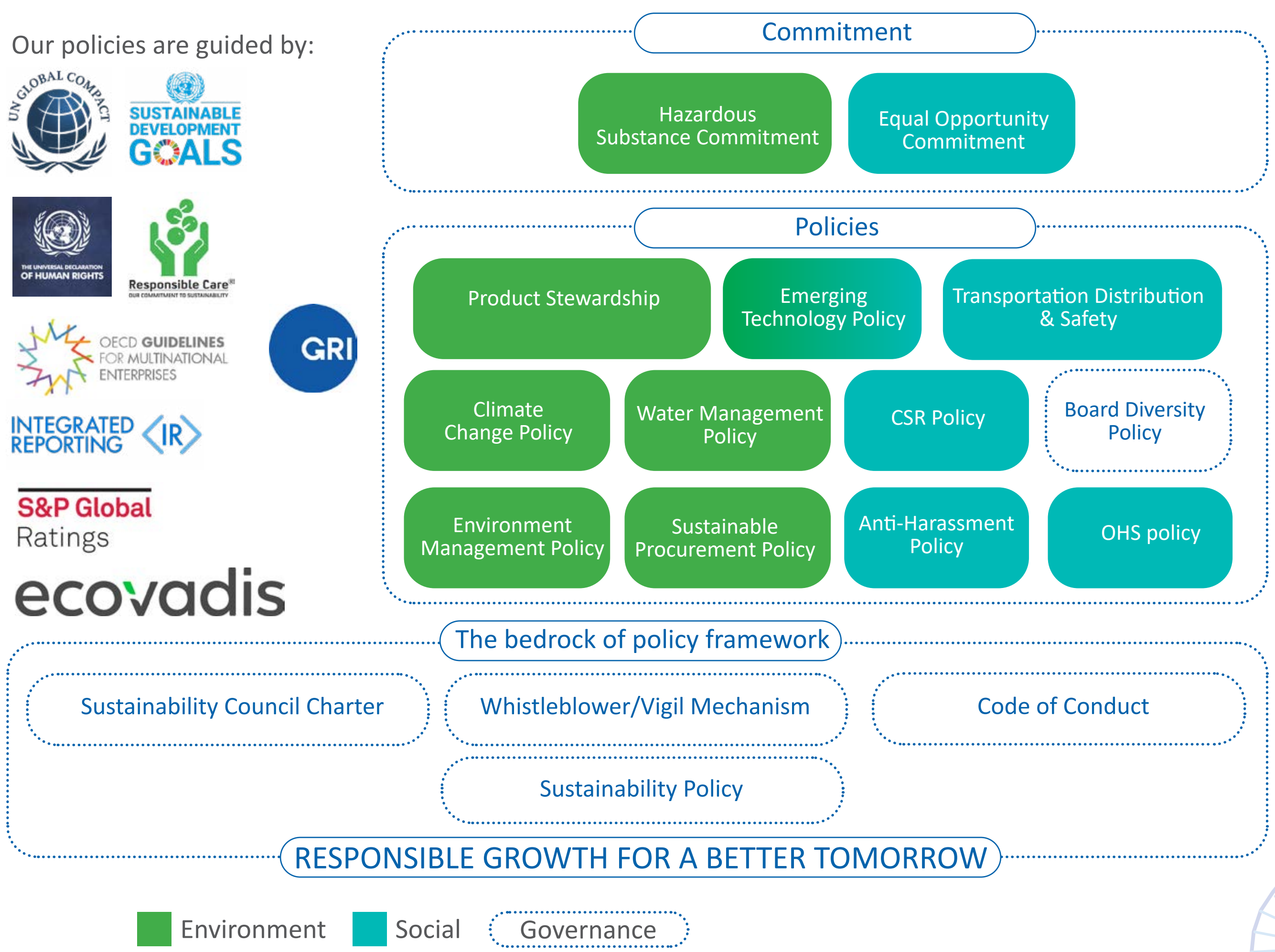
Policy Framework

PI's framework for responsible growth aims to establish a comprehensive and integrated approach to sustainable development. It seeks to balance economic growth with social progress and environmental stewardship, recognizing the interconnectedness of these dimensions. The framework emphasizes the importance of inclusive and equitable policies, fostering innovation, and promoting responsible business practices.

Our policy framework provides a foundation for the organization's operations, promotes consistency, ensures compliance, manages risks, and supports the achievement of organizational goals. The framework also serves as a reference point for us and our stakeholders, guiding behaviour and actions in alignment with the Company's values and objectives.

Our policies are aligned with the law of the land and widely accepted international standards such as UNGC, ILO's labour standards, OECD Guidelines for Multinational Companies, UN SDGs, Responsible Care, Universal Declaration of Human Rights, and the Global Reporting Initiative (GRI) Standards.

PI's policy framework



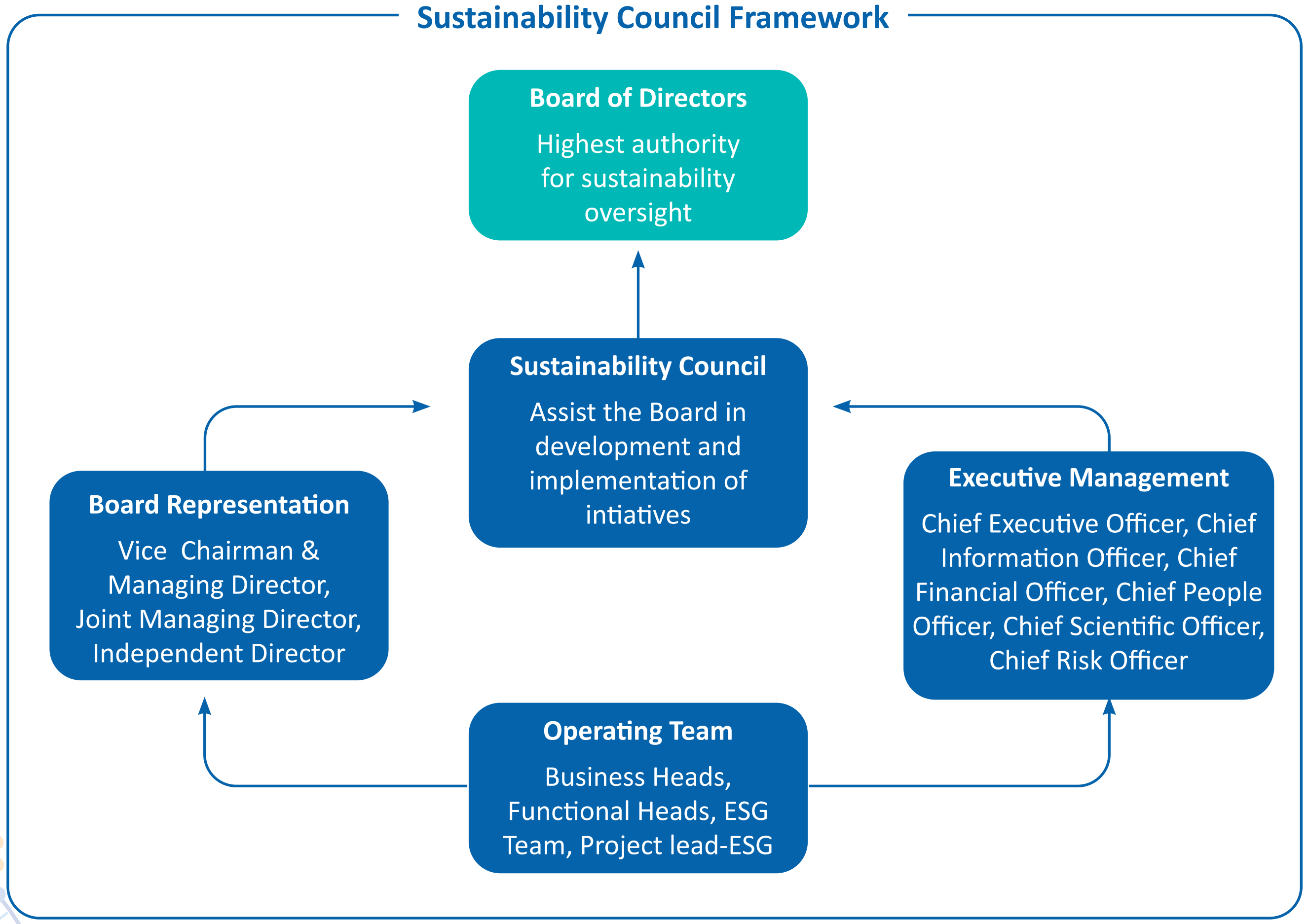
Sustainability Governance framework at PI

In the realm of sustainability, we embrace a transformative opportunity that shapes our long-term business trajectory. We view sustainability as more than just a risk; it is a compelling opportunity for growth and innovation. At PI, we are committed to integrating sustainability into our organizational culture, aligning it with ESG principles. By doing so, we create value for stakeholders, society, and the planet. Our strategic shift involves leveraging sustainability-focused key performance indicators (KPIs) to drive decision-making and action.

Through ambitious targets and benchmarks, we position ourselves to capitalize on the evolving sustainability landscape. To effectively implement ESG governance, we have established a comprehensive framework. It addresses environmental impact, social responsibility, and transparent governance practices. By adhering to global sustainability standards, we actively tackle challenges and seize opportunities within the agrochemical sector. Our cross-cutting ESG policies guide decision-making and ensure alignment with key environmental, social, and governance considerations.

To institutionalize sustainability in our governance mechanism, we have established a dedicated Sustainability Council comprising cross-functional team members. The Council's main objective is to support the Board in fulfilling its responsibilities related to the development, implementation, and monitoring of the Company's sustainable development policies. Additionally, the Committee will review reports as needed, ensuring their inclusion in the Company's disclosure documents. This formalized structure strengthens our commitment to sustainability and enhances transparency in our operations.

Sustainability Council Framework



Our Board of Directors

Attendance of board members at various meetings

On average, we had 91 percent attendance of board members at Board meetings and about 70 percent attendance from all board members at various committee meetings called during the year. None of the Independent Directors on the Board of the Company serve as Independent Director in more than seven Listed Companies nor holds the position of Whole-time Director in any Listed Company. To further ensure effectiveness, none of the Directors on the Board is a member of more than 10 committees or Chairperson of more than 5 committees across all companies in which he/she is a Director.

To ensure timely focus on ESG matters, we have taken a proactive step by incorporating it into the agenda of our board meetings. By circulating the ESG agenda alongside other important topics, we emphasize the significance of these issues and their integration into our overall decision-making process. This demonstrates our commitment to ESG and ensures that sustainability considerations are thoroughly discussed and addressed at the highest level of governance.

Board diversity and effectiveness

Our Board diversity policy codifies our commitment to ensure that our Board of Directors adequately represents our shareholders. Today, 25 percent of our Board is constituted by women leaders and 50 percent are independent directors. We have managed to strike a balance by having Board members with expertise ranging from Industry experience to core corporate management skills, as indicated in the corporate governance section. 50 percent of our Board members are less than 60 years of age, and more than 50 percent have been on the Board for more than 5 years, ensuring a balance of seniority and experience.

Further, in compliance with the provisions of Companies Act, 2013 and Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, an external agency was appointed to carry out an annual evaluation of the performance of the Board, Individual Directors as well as evaluation of the working of its committees during the year under review.

PI Board of Directors

PI Board of Directors

Independence
- Non-Executive Non-Independent: 2
- Executive Directors: 2
- Independent Directors: 4

Gender Diversity
- Male: 6
- Female: 2

Age
- Between 40 and 49: 1
- Between 50 and 59: 3
- Between 60 and 69: 2
- 70 and above: 2

Nationality
- Indian: 7
- Belgian: 1

Tenure on the board
- Less than 4 years: 3
- Between 4 and 9 years: 2
- Over 9 years: 3

Skills coverage
- Industry experience: 63%
- M&A: 63%
- Business management & corporate strategies: 75%
- Finance & taxation: 75%
- Technology expertise: 50%
- Corporate governance: 75%
- Legal & regulatory: 63%
- Risk management: 63%
- Govt/public policy: 63%
- Marketing/sales: 50%
- Human capital/compensation: 88%
- Environmental engineering: 38%
- Sustainability/plant experience: 38%
- CSR: 75%

Experience
- Agrochemicals
- R&D
- International markets
- Technology
- Consumer markets

The detailed Board Report and Corporate Governance Report comprising coverage of the organization’s actions, policies, practices and key decisions have been appended as annexures with this report.

Board of Directors

Mr. Narayan K Seshadri

Non-Executive Non-Independent Chairperson

DIN: 00053563

Indian

66 years old

Areas of expertise: Fertilizer and agrochemicals industry; M&A; Business management & corporate strategy; Finance & taxation; Technology; Corporate governance; Legal & regulatory; Risk management; Public policy; Marketing/sales; Human capital; CSR

Board memberships: AstraZeneca Pharma India Ltd.; Kalpataru Power Transmission Ltd.; SBI Life Insurance Co. Ltd.; The Clearing Corporation of India Ltd.; Clearcorp Dealing Systems (India) Ltd.; RE Sustainability Limited (Formerly known as Ramky Enviro Engineers Ltd.); India Debt Resolution Company Ltd.; PI Health Sciences Ltd.; Tranzmute Capital & Management Pvt. Limited.; Halcyon Resources and Management Pvt. Ltd.; A2O Software India Pvt. Ltd.; Svasth Heart India Foundation and Halcyon Enterprises Pvt. Ltd.

Mr. Mayank Singhal

Vice Chairperson and Managing Director

DIN: 00006651

Indian

50 years old

Areas of expertise: Fertilizer and agrochemicals industry; M&A; Business management & corporate strategy; Finance & taxation; Technology expertise; Corporate governance; Legal & regulatory; Risk management; Public policy; Marketing/sales; Human capital; Environmental engineering; Sustainability/Plant experience; CSR

Board memberships: PI Life Science Research Ltd.; PILL Finance and Investment Ltd.; TP Buildtech Pvt Ltd.; Fratelli Wines Pvt. Ltd.; and PI Health Sciences Ltd.

Mr. Rajnish Sarna

Joint Managing Director

DIN: 06429468

Indian

53 years old

Areas of expertise: Fertilizer and agrochemicals industry; M&A; Business management & corporate strategy; Finance & taxation; Technology expertise; Corporate governance; Legal & regulatory; Risk management; Public policy; Marketing/sales; Human capital; Environmental engineering; Sustainability/Plant experience; ESG; CSR

Board memberships: PI Life Science Research Ltd.; PILL Finance and Investments Ltd.; Solinnos Agro Sciences Pvt Ltd.; PI Kumiai Pvt Ltd.; Jivagro Ltd.; PI Fermachem Pvt Ltd.; PI Bioferma Pvt Ltd.; (Formerly known as PI Enzachem Pvt Ltd.) and PI Health Sciences Ltd.

Mr. Arvind Singhal

Non-Executive Non-Independent Directorr

DIN: 00092425

Indian

75 years

Areas of expertise: Fertilizer and agrochemicals industry; Business management & corporate strategy; Finance & taxation; Corporate governance; Legal & regulatory; Public policy; Human capital; CSR

Board memberships: Wolkem India Ltd.; Secure Meters Ltd.; and Mynores India Private Ltd.

Dr. T S Balganesh

Independent Director

DIN: 00648534

Indian

70 years old

Areas of expertise: Fertilizer and agrochemicals industry; Technology

Board memberships: GangaGen Biotechnologies Pvt Ltd; Open Source Pharma Foundation; IKP Knowledge Park; PI Fermachem Pvt Ltd; PI Bioferma Pvt Ltd (Formerly known as PI Enzachem Pvt Ltd.); Ahammune Biosciences Pvt Ltd; and PI Health Sciences Pvt Ltd

Mr. Shobinder Duggal

Independent Director

DIN: 00039580

Indian

65 years old

Areas of expertise: Business management & corporate strategy; Finance & taxation; Corporate governance; Risk management; Human capital

Board memberships: SBI Life Insurance Company Limited; Kirloskar Brothers Limited.

Ms. Lisa J Brown

Independent Director

DIN: 07053317

Belgian

45 years old

Areas of expertise: Business management & corporate strategy; Finance & taxation; Technology expertise; Corporate governance; Legal & regulatory; Risk management; Public policy; Marketing/sales; Human capital; Environmental engineering; Sustainability/Plant experience; CSR

Ms. Pia Singh

Independent Director

DIN: 00067233

Indian

52 years old

Areas of expertise: Business management & corporate strategies, Risk Management, Human Capital/Compensation, Social Sciences, CSR

Board memberships: DLF Ltd.; Northern India Theatres Pvt Ltd.; Sukh Sansar Housing Pvt Ltd.; Solace Housing and Construction Pvt Ltd.; Pushpak Builders and Developers Pvt Ltd.; Arihant Housing Company.; DLF Brands Pvt Ltd.; Madhukar Housing and Development Company.; Sambhav Housing and Development Company, Udhyan Housing and Development Company, and Anubhav Apartments Pvt Ltd.; DLF Foundation, Ananda Sangha Trust, Paramhansa Yogananda Public Charitable Trust, College of Arts and Sciences and Asia Campaign Leadership Committee at University of Pennsylvania

07. BUSINESS MODEL

PI Industries' business model is built on the principles of respect for intellectual property (IP) and established relationships

Domestic Brand Market

Leading AgChem Distribution Company in India with leading market share in certain crops

India's largest CRAMS Company with majority revenue from Patented Products

Exports Market

Leveraging our PAN India network, demonstrating brand building capabilities and experienced team to deliver in- licensed, branded generics & co-marketed products

R&D Partnership

Leveraging on chemistry process research and manufacturing capabilities catering to Global Innovators; Partnering for IP Creation.

SYNERGISTIC APPROACH

IN-LICENSING

- Introducing new products, partnering with global innovators
- Ensure longer product cycles by brand building
- Develop solutions for the Indian Ag-chem Industry with the partnership approach

Common Infrastructure Develop knowledge,

products, processes and experience in different complex chemistries Cross-Selling Opportunities

CUSTOM SYNTHESIS & MANUFACTURING

- Early stages of their life cycles
- Complex Chemistries
- Process development
- IP Protection & Generation

State of the Art R&D facilities

- 500+ researchers and scientists
- Accredited for GLP and 'Norms on OECD Principles' by NGCMA

To service its customers

1 R&D Facility

4 Manufacturing Sites

Domestic Brand Distribution

- 25 stock points
- 10,000+ distributors
- 80,000+ retail points
- OECD Principles' by NGCMA

3 Global locations

Japan for business development activities

China for Sourcing

Germany for Knowledge Management

Consistent track record of financial performance

Non conflicting business model ... well respected by Global Innovators as Partners

Six capitals of value creation at PI Industries

Input

Financial
- Total Assets deployed: ₹ 84,797 million
- Total Shareholders' Funds employed:₹ 71,985 million
- Cash and cash equivalents: ₹ 32,272 million
- Debt free on standalone and consolidated basis

Manufactured
- 15 fully automated Multipurpose Plants with Distributed Control System (DCS)
- ₹ 3,385 million capex expenditure
- Implementation of total quality management

Intellectual
- 473 scientists and researchers including 120+ doctorates
- ₹ 1,859 million incurred in R&D expenditure
- ISO quality standards certified facilities

Human
- 3354 employees
- ₹ 9,464 spent on training per employee
- Diversity and Inclusion
- 59 process and safety-related trainings conducted

Social & Relationship
- More than 153,000 shareholders
- Strong investor and analyst community
- Reliable supplier base
- 10,000+ Channel Partners
- 25 Stock Points
- 80,000+ Retailers
- CSR expenditure: ₹ 188.2 million

Natural
- 805 MT of Natural materials utilised in packaging
- Total energy consumed from non-renewable sources: 391,654 MWh
- Total freshwater withdrawn: 927.1 ML

OUR STRATEGIC GROWTH DRIVERS

- Deeper market penetration with a crop solution-based approach
- Focus on building strong manufacturing assets
- Advanced R&D capability to support product and process
- Inorganic expansion in high growth- application areas having

PURPOSE, VISION, MISSION

STRATEGY
Efficient net working capital management

R&D focused approach

GOVERNANCE
Risk management

Sustainability Council oversight

Inspired by Science

BUSINESS MODEL

CSM Exports
Discovery | Development | Scale-up | Manufacturing

Domestic agri brands
Evaluation & Trials | Marketing & Distribution | Regulatory services & Registrations

Value proposition
Intermediates | Crop protection | Crop nutrition | Seeds | Farm equipment as a service

Stakeholder universe
Institutional customers | Farming community | Employees | Local communities | Supply chain partners

Output / Outcome

Financial

Output
- 23% y-o-y growth in revenue from operations
- 35% y-o-y growth in EBITDA
- 46% increase in PAT attributable to EBITDA growth and lower effective tax rate (ETR)
- 28.5% CAGR over a five year period in earnings per share

Outcome
- Strong balance sheet with 24% YoY increase in Net Working Capital, showing improved capital efficiency
- 25.5% Return on Capital employed
- 33.2% CAGR over a five year period in net worth
- ₹1,137 million dividend distributed in FY23 demonstrating a 50% YoY growth

Manufactured

Output
- 20% annual increase in production
- ISO-certified manufacturing and R&D sites
- 16% increase from FY22 in tons of input material recovered

Outcome
- More clients served globally
- Increased manufacturing cost efficiency
- Zero product recall incidents in FY23
- On-time delivery of products
- Improved eco-efficiency

Intellectual

Output
- 15 new patents filed in FY23 and 147 patents filed cumulatively
- 2 new process innovations commercialized at Kilo Lab/Pilot Plant stage
- E-factor introduced to measure shift towards green chemistry

Outcome
- Commercialized 4 new products in Exports and 7 new products in domestic agri brands
- Comprehensive product portfolio offering solutions for all stages of crop growth and plant growth nutrition
- Long term partnerships with CSM export partners

Human

Output
- 2x increase in employee L&D hours
- 100% employees covered under performance management
- 10% increase of women employees working in STEM roles from FY22
- 47% increase of women in all management positions from FY22
- Zero work-related fatalities
- LTIFR (Employees): 0
- LTIFR (Workers): 0.11

Outcome
- HCROI has been consistently high at >3x
- Improved diversity and inclusion metrics
- Safe working conditions

Social & Relationship

Output
- >79% customer satisfaction score among B2B partners recorded in FY22
- >70% enrollment rate in B2C loyalty program
- 47% sales from loyalty program members
- 20% increase in CSR budget allocation from FY22
- CSR beneficiaries: 91,000+

Outcome
- 27% increase in Return on equity
- 244% Total Shareholder Return (TSR) over the last five years
- 12% increase in direct and indirect channel partners
- More than 36,000 direct and indirect channel partners
- 3% increase in end consumer network
- Convergence with national priorities such as the National Health Mission, Swachh Bharat Abhiyan and Samagra Shiksha Abhiyan

Natural

Output
- Utilization of 100% recycled paper-based packaging material
- 10% increase in share of renewable energy in total energy mix from FY22
- 54% reduction in SOx emissions from FY22
- 42% reduction in NOx emissions from FY22
- 11% increase from FY21 in quantity of water recycled
- Two sites are Zero Liquid Discharge Units
- 51% increase in quantity of waste recycled from FY22

Outcome
- Achieved 93rd percentile in the Dow Jones Sustainability Index (DJSI)
- Retained the EcoVadis Gold medal in sustainability achievement with 97th percentile ranking
- 17% reduction in carbon emissions intensity from FY22
- 12% reduction in quantity of water consumed per metric tonne of production from FY22
- 80% increase in waste sent to landfill from FY22

08 STRATEGY AND RESOURCE ALLOCATION

Strategy and Resource allocation

> **We are focused on growing rapidly, with a differentiated value proposition supported by organic as well as inorganic growth which helps both the organization and our natural ecosystem be more resilient.**

Strategy and Resource allocation

Prioritizing strategic objectives while optimizing available resources, in our strategy and resource allocation, we are committed to driving responsible growth for a better tomorrow by strategically investing in sustainable initiatives, optimizing resource allocation, and fostering innovation to create lasting value for our stakeholders and the planet.

In early 2022, we adopted the PI Compass which set the direction for the organization's future. We are focused on growing rapidly, with a differentiated value proposition supported by organic as well as inorganic growth which helps both the organization and our natural ecosystem be more resilient. As a result, our growth strategy relies on a complex interdependence between the six capitals. While we believe that financial capital is a prerequisite to all other capitals, we have integrated natural capital across all business operations and activities to ensure that sustainability thinking is firmly ingrained in the PI ethos. The nature and impact of each capital at PI Industries has been explained below.

PI's growth strategy

Four key pillars supporting the growth strategy

Deeper market penetration with a crop solution-based approach, focus on building strong manufacturing assets, advanced R&D capability to support product and process innovation, along with inorganic expansion in high growth-application areas having synergies, together constitute our growth strategy. This will be further supported by prudent financial management ensuring long-term shareholder value creation.

PI's domain expertise in complex chemistry has helped us maintain a leadership position in the Indian specialty chemicals market. We have a strong pipeline of 4-5 products to be commercialized every year. Our R&D function offers common infrastructure along with integrated processes and experience to support both the in-licensing and the custom synthesis and manufacturing (CSM) business. Our strength in this segment is evidenced by the surge in enquiries for the CSM business with nearly 25 percent enquiries coming from the non-AgChem space.

Our recent acquisitions align with our vision to lead with science and technology to create transformative solutions in life sciences. Marking our foray into the contract development and manufacturing organization (CDMO) in the pharmaceuticals business, the acquisitions have also given us access to assets in US and Italy and consequently access to global markets as well.

Unlocking the potential of our growth strategy

Market expansion

On the domestic front, we have transitioned from a product approach to a crop solution approach for deeper market penetration market and this has shown positive results. Initiatives such as Dhan Dhaan Kisaan for Rice Crops, CCS Plots for Cotton Crop and Chilli micro batter for Chilli crop have been received well by stakeholders.

Progressing on a path of diversification in niche verticals with high potential for growth, our acquisitions in the pharmaceuticals and CDMO sectors will support the forecasted increase in enquiries from the non-AgChem space.

Value chain strengthening

By integrating digital manufacturing technologies (DMT) at Plant level, and digital rights management at the Site level, we have been able to drive operations excellence across the value chain. Adding quality products, improved customer relationship management through digitization and strategic tie ups will help reinforce 'Build' as a pillar of our growth strategy.

Product stewardship

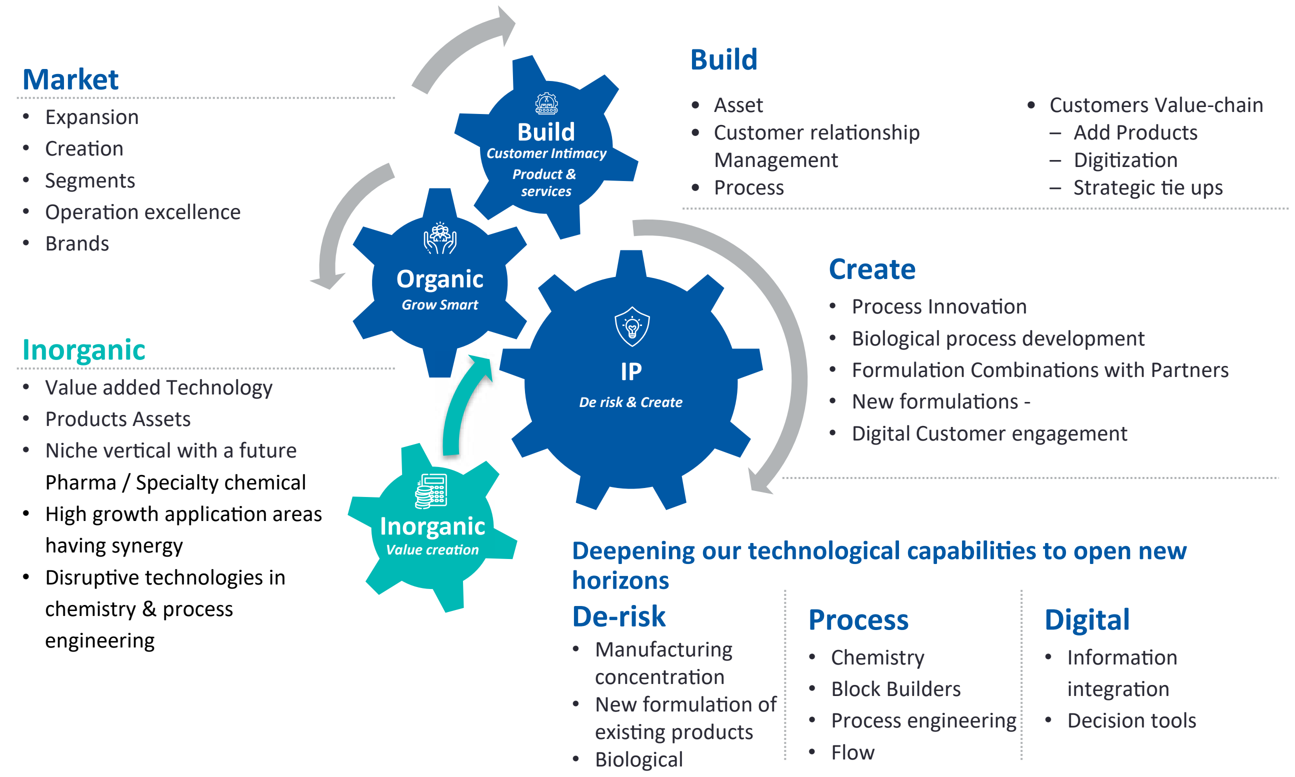
Integrated environment management capabilities along with cross-functional operations excellence teams named STRIVE (Steps Towards Recurring Improvement and Value Excellence) committees have been instituted to ensure optimized utilization of available resources. We are also actively working on gradually turning all manufacturing units to zero liquid waste facilities, continued integration of digital tools for improved analytics and decision making and on increasing the share of biologicals in the domestic agri brands portfolio. Our annual performance results show that we are on track to achieve our 2025 sustainability goals.

Efficient net working capital management will continue to maintain checks and balances to ensure that our growth strategy remains sound and viable. Coupled with an integrated risk management approach, the organization embodies industry best practices across all functions.

Diversity and inclusion

Diversity and inclusivity is an organic aspect of PI's people strategy. It begins with creating a culture of acceptance and respect where employees feel safe to be their authentic selves. Hiring diverse talent and providing ongoing training and education promotes awareness and understanding. Equitable policies and practices ensure that diversity and inclusion are tangible realities that benefit the organization's performance.

Pursuing Multi-pronged growth strategy..



Prudent financial management in place to ensure that long term shareholder value creation remains at the heart of the strateg

Financial Capital

Growth pillar supported: Inorganic

Impact on other capitals:

B y responsibly allocating and leveraging our financial capital, we drive growth that not only benefits PI but also contributes to a better tomorrow for our stakeholders and the environment. We are committed to enhancing stakeholder capital and creating shared value. At PI, financial capital is central to our ability to create sustainable value across all capitals. Over the years, we have focused on deploying a balanced, cost-effective mix of financial capital —debt and equity. We emphasize prudent utilization and effective management of financial capital, allowing our corporate machinery to function unhindered and consistently generate a surplus, which allows for increased investments in R&D, human resources, and customer networks to strengthen the existing businesses. Additionally, it allows for the diversification of our portfolio through investments in adjacencies and acquisitions, which help further our competitive advantage.

Key Material Issues

Economic Performance

SDG Alignment

8 DECENT WORK AND ECONOMIC GROWTH

Key Highlights

Revenue increased to INR 64,920 million at **23% CAGR**

PAT increased to INR 12,295 million at **31.6% CAGR**

EPS increased to INR 81.1 at **28.5% CAGR**

EBITDA increased to INR 15,489 million at **28% CAGR**

Net Worth increased to INR 71,985 million at **33.2% CAGR**

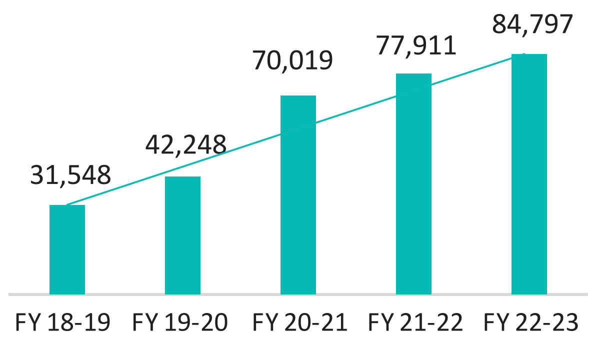
**CAGR is calculated over 5 years of FY19 to FY23*
All figures here are on consolidated basis

Inspired by Science

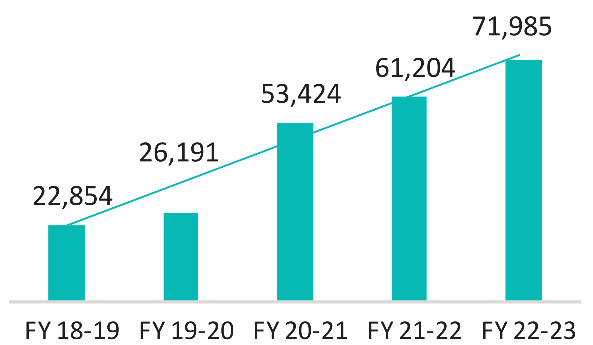
Inputs

In FY23, we efficiently managed our financial capital with total assets deployed at ₹ 84,797 million and total shareholder funds at ₹ 71,985 million. Notably, we achieved a significant milestone by becoming a debt-free Company, with zero debt capital compared to ₹ 2,678 million in the previous year, resulting in a Debt-to-Equity ratio of Nil, down from 0.04 in FY22. Our equity share capital remained steady at ₹ 152 million, ensuring stability in our capital structure. Additionally, we maintained a strong liquidity position with cash and cash equivalents of ₹ 32,272 million, including Deposits with <12 months maturity & current investments.

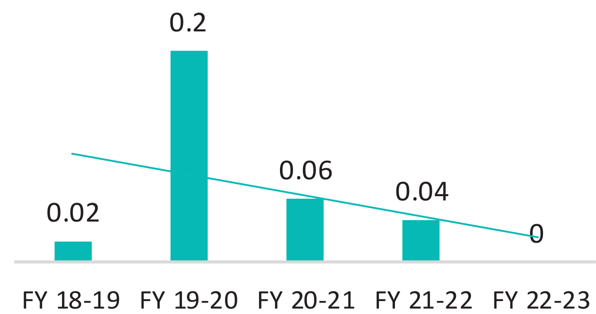
Total Assets (₹ million)



Shareholders' funds (₹ million)



Debt to Equity ratio



All figures here are on consolidated basis

Our Strategic Financial Approach

Effective Internal Financial Controls

Our approach to financial strategy revolves around expanding profitability with cash flow discipline, enhancing our financial position, and improving the stability of financial management. We employ capital effectively, to achieve our goals and create value for our shareholders. We have adequate Internal Financial Controls in place commensurate with the size, scale, and complexity of our operations. The control system comprises continuous audit and compliance by an in-house internal audit team supported by the appointed auditing firm.

Strategic Investment Approach

We reinvest our accrued profits back into the business for compounding returns, employing an effective mix of debt and equity to finance our business expansion. In the current year, we have eliminated borrowings from our balance sheet thereby strengthening our financial position and improving balance sheet health. The QIP funds raised remain invested in deposits and debt mutual funds with SLR (Statutory Liquidity Ratio) philosophy, while their deployment is aligned with PI's long-term growth strategy.

Prudent Working Capital Management

Efficient net working capital management is integral to our strategy, ensuring smooth business operations and maximizing returns. We prioritize targeted inventory levels, effective debtors' management, and optimized payables to meet our cash flow objectives. By maintaining adequate inventory levels, we ensure timely deliveries while avoiding excess stock and stockouts. Despite global economic challenges and increasing input costs, we offset these headwinds through improved efficiencies and price adjustments in both Export and Domestic markets, sustaining a healthy margin. This is reflected in the enhanced cash generated from operations before tax.

Responsible Tax Governance

Tax compliance is an essential aspect of our corporate responsibility. We have established a robust tax governance structure that adheres to regulations, rulings, concessions, reliefs, and Transfer Pricing Principles in all our operating jurisdictions. We utilize benefits and concessions available under relevant tax provisions to effectively manage our financial capital. For instance, our plants in the SEZ zone of Jambusar benefit from lower Effective Tax Rates (ETR), contributing to the growth of our Net Profit. Details of individual jurisdictions' tax positions are made available in the country-by-country reporting as required and communicated by the concerned tax authorities.

The Company's position on tax governance is available on the below link

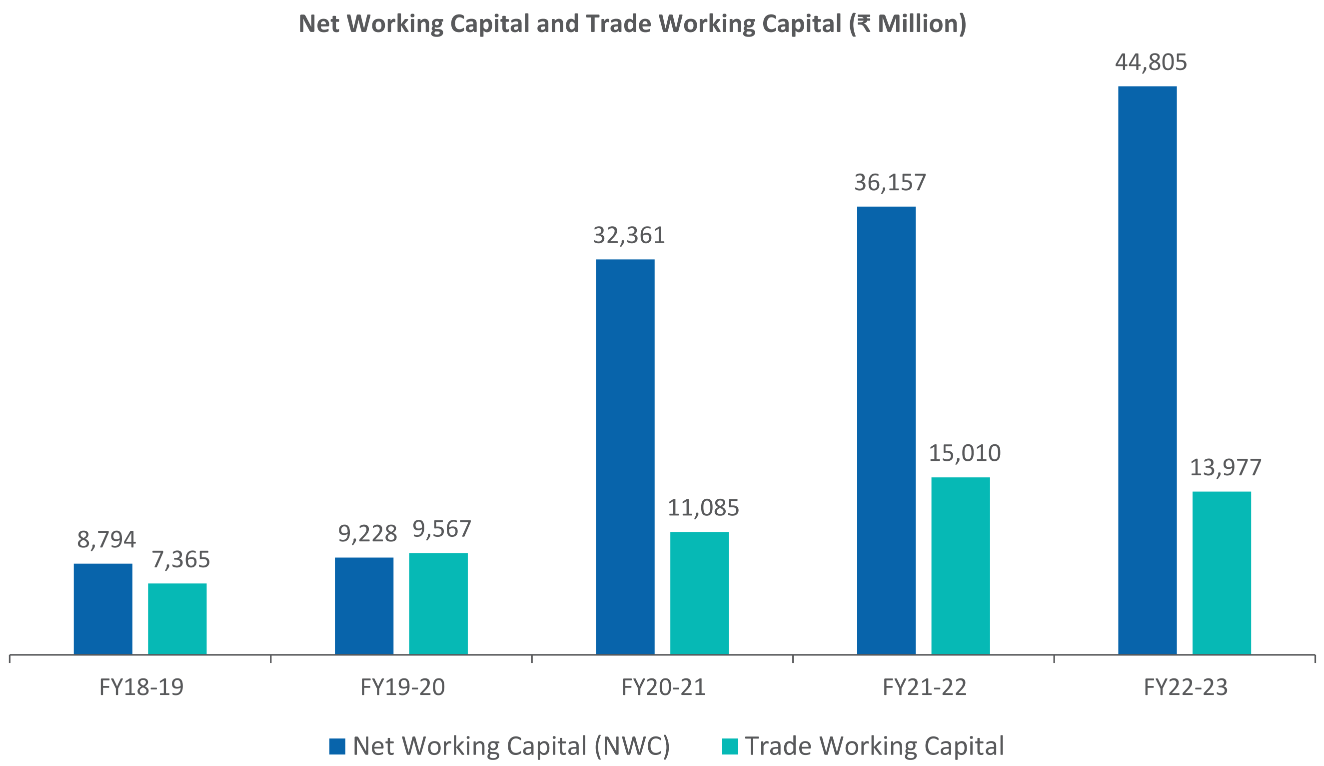
https://www.piindustries.com/Media/Documents/Tax%20Policy-Pi%20Industries%20Ltd.pdf

Efficient Operations to create long-term value

Optimizing our product mix and implementing efficient cost management strategies are key drivers for revenue generation. By doing so, we aim to enhance our operating leverage, resulting in improved EBITDA and PAT margins.

Output

Our Revenue from operations stood at ₹ 64,920 million recording a YoY growth of 23 percent. EBITDA increased by 35 percent YoY, to ₹ 15,489 million. Profit after Tax grew to ₹ 12,295 million in FY 23, demonstrating a YoY growth of 46 percent.

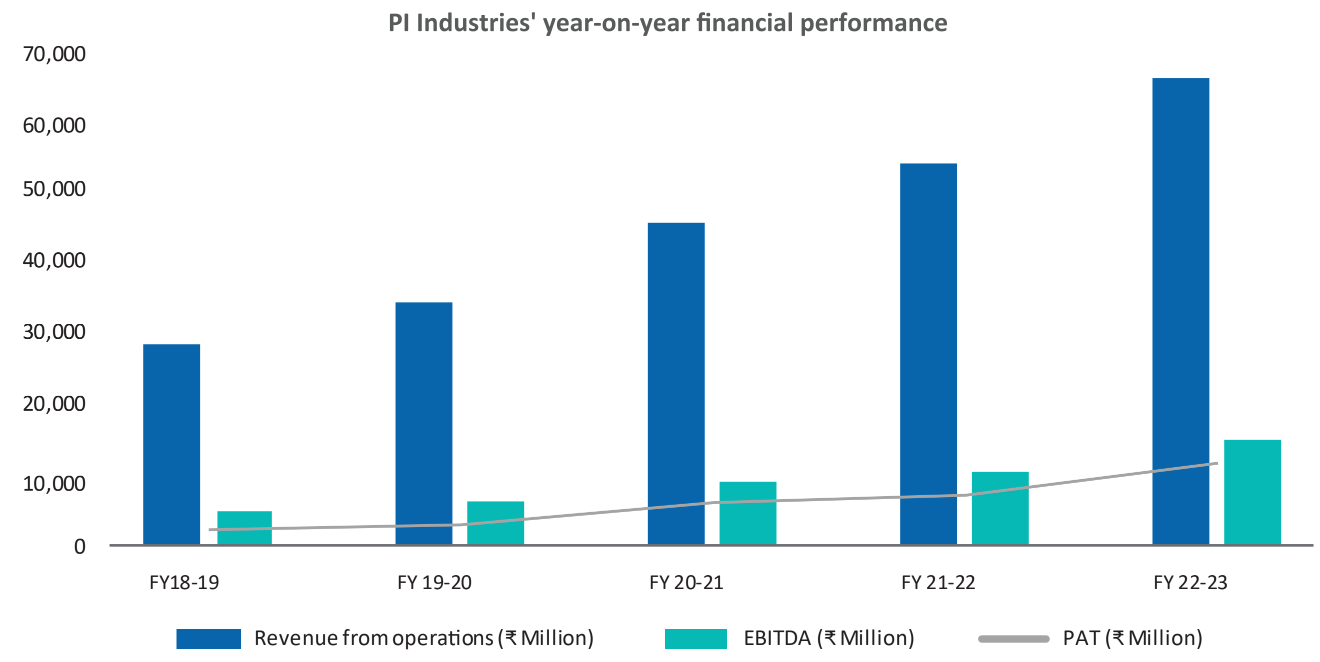


All figures here are on consolidated basis

In FY23, we incurred ₹ 3,263 on capital expenditure. This investment focused on enhancing capacity utilization and improving throughput. Improved output from Financial Capital serves as a catalyst for the development and transformation of intellectual, human, social, manufactured, and natural capitals.

Improved financial strength is an enabler for our research and development efforts, with the addition of 42 percent additional scientists and researchers, and an increase in patents filed taking the cumulative number of patents filed up to 147. With increased investments in our human capital, we prioritized the well-being and inclusivity of our employees, leading to a safer workplace, reduced severity rate, process safety events, and a significant decrease in the Lost Time Injury Frequency Rate. Furthermore, we tripled our investment in upskilling our employees and conducted almost twice as many trainings and workshops throughout the year.

These investments have enhanced our corporate climate and fostered a customer-centric work environment, which is fundamental to our growth.



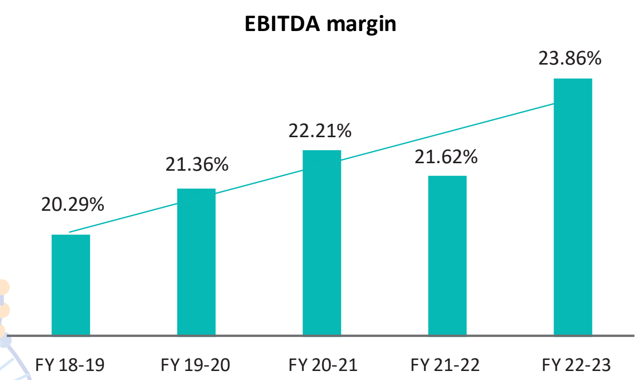
All figures here are on consolidated basis

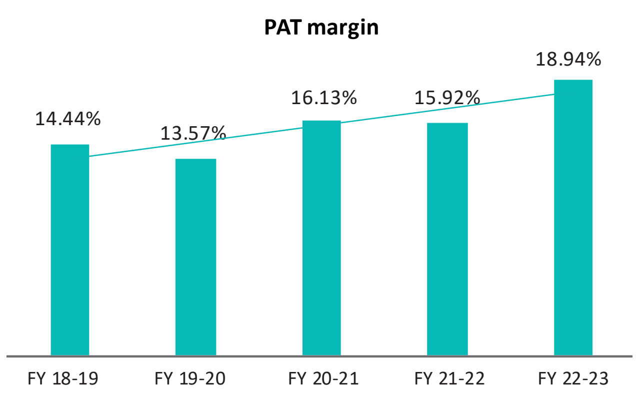
Through investments in relationships and proactive customer feedback, we have significantly increased participation and enrollment in our Customer Loyalty Program by nearly threefold. Strengthened sales and improved value chain relationships have led to a reduction in the inventory holding period. Additionally, the working capital cycle decreased from 103 days in FY22 to 79 days in FY23.

Due to the Company's stable financial position, we have been able to make acquisitions allowing us to diversify into the life sciences industry. These strategic diversification moves are set to create a Pharma and Specialty Chemicals-centered vertical for the Company in the future adding another revenue stream. Our commitment to sustainability is reflected in the fact that PI's improved financial performance is proportional to the steps taken to make the Company sustainable. Our belief in "Responsible Growth for a better tomorrow" is exemplified by leveraging our financial output for investments in renewable energy sources. This has led to an 16 percent YoY increase in the amount of recovered and reused input materials and the 11 percent increase from FY21 in recycled water, as well as a 19 percent increase in the amount of electricity generated by solar and wind power plants.

Outcome

Persistent, growth-centric reinvestment of the profits earned, into the business, has led to an increased return in the current year with an improved EBITDA Margin, PAT Margin. The EBITDA margin grew to 23.86 percent and the PAT Margin to 18.94 percent in FY23.





All figures here are on consolidated basis

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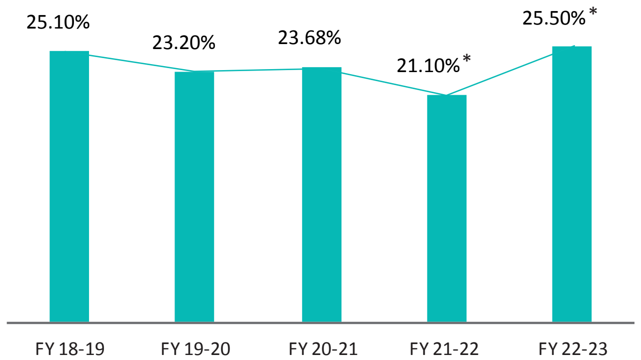
The improved business performance enabled us to create and distribute value to our shareholders, with Return on Capital Employed (RoCE) increasing to 25.50 percent

The improved business performance enabled us to create and distribute value to our shareholders, with Return on Capital Employed (RoCE) increasing to 25.50 percent and the Return on Equity (RoE) growing to 18.45 percent. The total dividend distributed to the shareholders, including the proposed final dividend, stood at ₹ 10 per share, taking the aggregate dividend distributed to ₹ 1,137 million for FY23 demonstrating a growth of 106 percent for three years at a CAGR of nearly 20 percent.

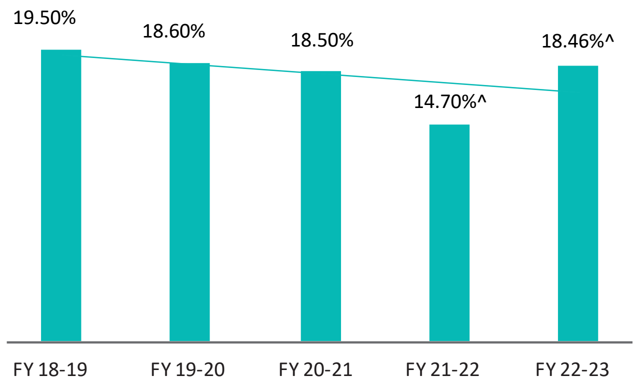
Return on Capital Employed (RoCE)



**RoCE excluding unutilized QIP funds and related income*

All figures here are on consolidated basis

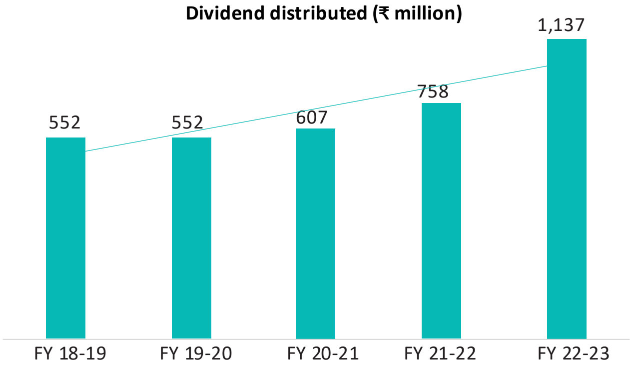
Return on Equity (RoE)



^RoE includes QIP funds

Prudent financial management is in place to ensure that the creation of long-term shareholder value remains at the core of the strategy, and the current year’s increased Earnings per Share (EPS) and market capitalization reflect this.

Dividend distributed (₹ million)



All figures here are on consolidated basis

Company Cash Flow Analysis

We have maintained a robust cash flow position and as a testament to our effective cash and working capital management, with an approximately threefold increase in cash flow from operating activities, registered a 60 percent YoY growth in our cash flow from operations (before tax) despite facing various challenges in FY23 like the inflationary pressure and the subsequent rising input costs. Having an effective tax strategy working in tandem with increased cash being generated from operations has helped us grow our Net Cash Flow from Operations at a CAGR of 40 percent over the last 5 years to ₹ 15,014 million.

The current year also saw an increase in net cash being used for investments, registering a 350 percent YoY growth. Net cash outflow from financing activities saw a 172 percent YoY increase due to the repayment of borrowings, eliminating external debt.

Inspired by Science

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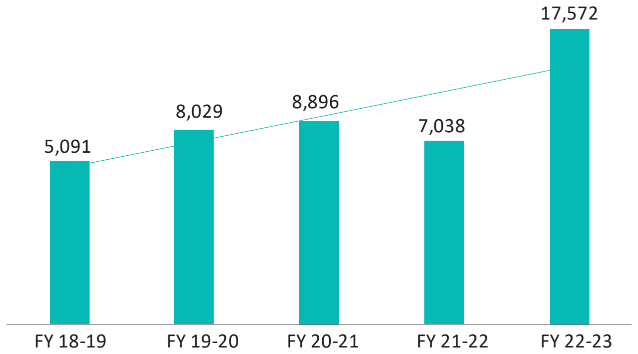
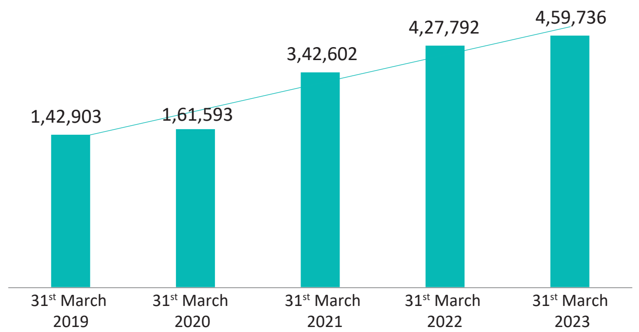
Our Net Cash Flow from Operations grew at a CAGR of 40% over the last five years

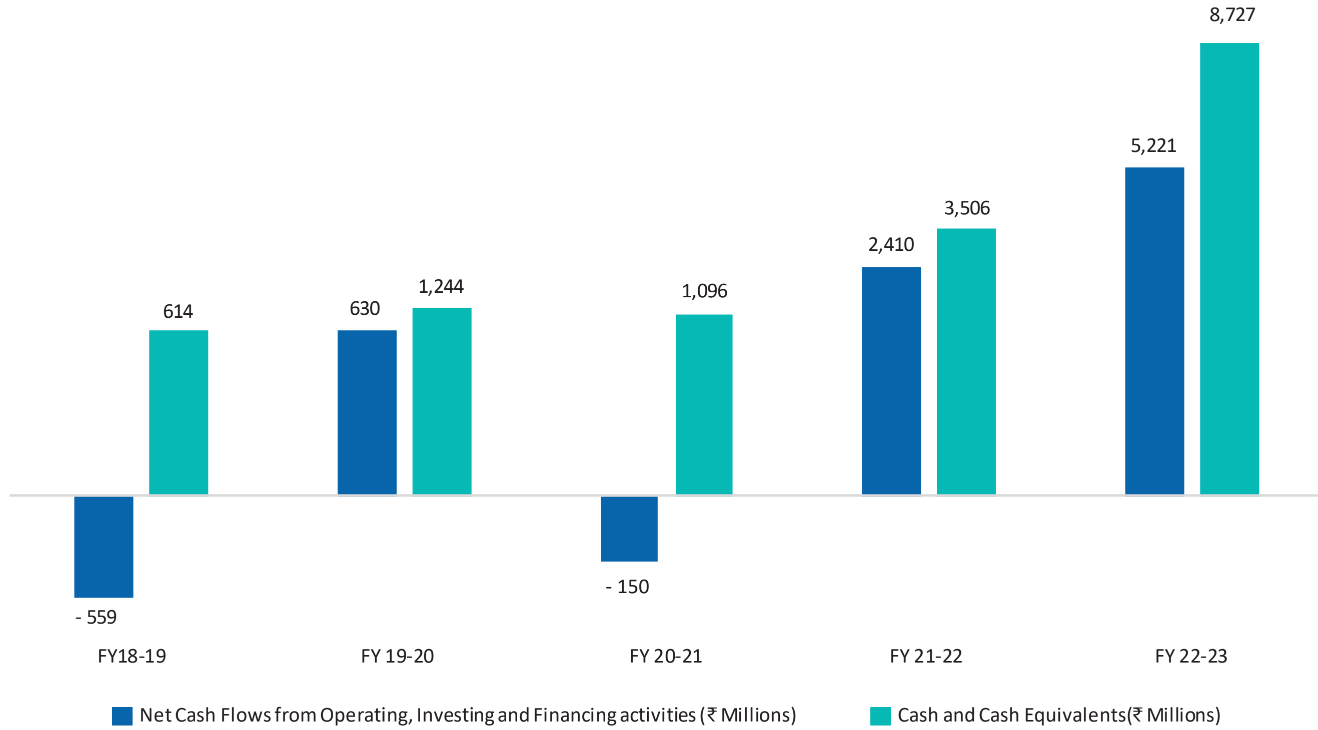
Cash generated from Operations before tax (₹ million)



Market Capitalization (₹ million)



PI Industries' year-on-year Net Cash Flow and Cash position



All figures here are on consolidated basis

Our Economic Value Creation*

As per GRI 201-1, we have provided information regarding the direct economic value generated and distributed by PI to offer transparency and insight into how we create value and distribute our economic benefits across various stakeholder groups.

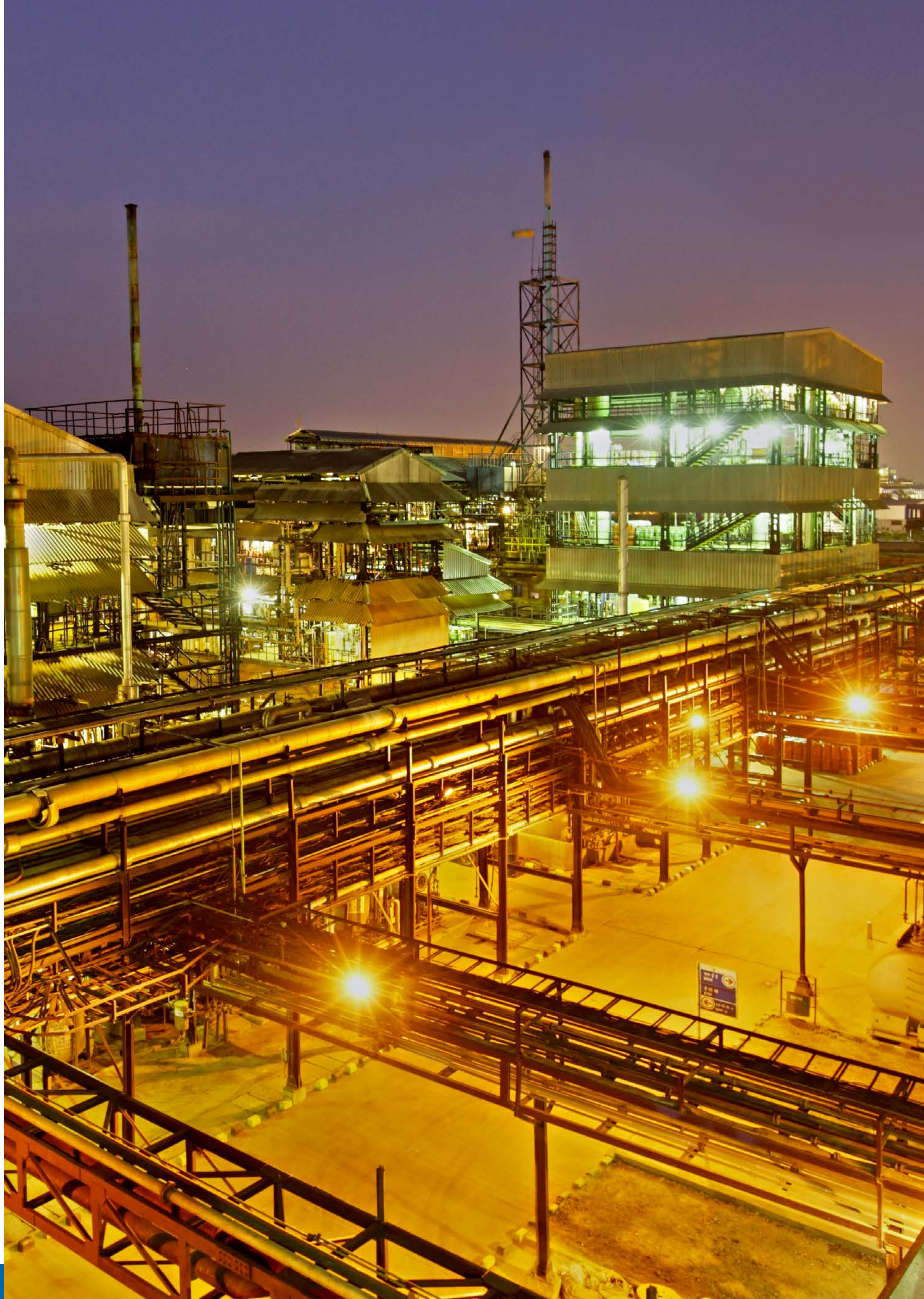
	FY 2022-23	FY 2021-22
A. Direct Economic Value Generated#	**66,510**	**54,009**
Revenues	64,920	52,995
Other Income	1,590	1,014
B. Economic Value Distributed	**56,110**	**46,527**
Operating Costs	46,498	38,785
Employee Wages and Benefits	5,266	4,804
Payments to Providers of Capital	1,508	886
Payments to Government^	2,650	1,950
Community Investments**	188	102
C. Economic Value Retained [A-B]	**10,400**	**7,482**

***It includes community investment commitments made for prior years amounting to ₹ 51 million for FY 22-23 and ₹ 7 million for FY 21-22*

^It does not include the amount paid by the Company towards Goods and Services Tax amounting to ₹ 830 million for FY 22-23 and ₹ 1,007 for FY 21-22

#Direct Economic Value Generated includes financial assistance received from the Government authorities in the form of export incentives amounting to ₹ 303 million for FY 22-23 and ₹ 369 million for FY 21-22

**GRI 201-1 Direct economic value generated and distributed. | GRI 201-4 Financial assistance received from government*



Manufactured capital

Growth pillar supported:	Build, Organic	Impact on other capitals:

As we strive for sustainable development, we recognize the crucial role of manufactured capital in shaping a better future for all. We are committed to responsible growth that optimizes our manufactured capital, which includes our infrastructure, facilities, and technological resources. Central to our ability to create value, our production plants, equipment, tools, and technology help us to deliver on our growth strategy. Our continued thrust on sustainable and best-in-class manufacturing practices has ensured the uninterrupted scale-up of our core capabilities in production. We have 15 fully automated Multi-Purpose Plants (MPPs) with Distributed Control System (DCS) plants along with a Kilo Lab and Pilot Plant.

Aligned with our growth strategy and objectives, we have been expanding manufacturing infrastructure and capabilities for the non-Agrochemical vertical as well. Integration of sustainable business practices such as backward integration of key products, and adaptive controls to optimize yield, quality, energy, and throughput increased our cost competitiveness and enhanced our value proposition by bringing in increased efficiencies.

"STRIVE" Committees at PI

STRIVE - Steps Towards Recurring Improvement and Value Excellence

Following the values "Curious" & "Creative" identified in the PI Compass, we constantly strive for improving our process by optimizing raw material consumption, energy consumption, and waste management. Our STRIVE committees comprise cross-functional teams and are led by the Operations Excellence team. Our teams challenge conventional ways of doing things while looking for innovative, creative, and futuristic technologies which are focused on cost-effectiveness and sustainability.

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> Central to our ability to create value, our production plants, equipment, tools, and technology help us to deliver on our growth strategy.

Key Material Issues	SDG Alignment	Key Highlights from FY23
Economic – Contribution to ICT innovation	8 Decent work and economic growth	**15 fully** automated Multipurpose Plants (MPPs) with Distributed Control system (DCS) spread across **5 locations**
Economic - Supply Chain Management, Product Safety and Quality Assurance	8 Decent work and economic growth; 12 Responsible consumption and production	**90%** of raw material/packing material suppliers assessed for sustainable sourcing including their environmental impacts
Environment – Emission control	9 Industry, innovation and infrastructure	**17%** reduction in carbon emissions intensity from FY22
Environment – Energy management	7 Affordable and clean energy	Contribution of **4.83%** from renewable energy in the total electricity mix
Environment – Materials	11 Sustainable cities and communities	**16%** year-on-year increase in tons of input material recovered and reused
Environment – Water management	6 Clean water and sanitation; 12 Responsible consumption and production	**14,699** KL water recycled through rain water harvesting & RO permeate **12%** reduction in consumption of water per metric tonne of production from FY22
Environment – Waste management	11 Sustainable cities and communities	**41%** hazardous waste recycled, registering an 80% increase from FY22

Input

We have invested in cutting-edge technologies to guarantee the utmost level of product safety, quality, productivity, and consistency. The four integrated manufacturing facilities with 15 Multipurpose Plants (MPPs) with distributed control systems (DCS) are located on more than 100 acres of land. The manufacturing units are outfitted with specialized high-pressure reaction facilities that are highly automated for the future. In addition, our two Panoli-based formulation units serve both domestic and international clients. The multipurpose plants provide us with the flexibility to produce new products in a short period and scale up production to satisfy client demand.

The manufacturing facilities are certified under ISO standards to ensure superior quality management, energy and environment management, information and data security, and occupational health and safety.

Certifications	PN03	PN05	PN01	PN06	R&D
ISO 9001:2015	✓	✓	✓	✓	✓
ISO 14001:2015	✓	✓	✓	✓	✓
ISO 45001:2018	✓	✓	✓	✓	✓
ISO 50001:2018	✓	Certification awaited			
ISO 17025	✓	Certification awaited	✓		Certification awaited
ISO 27001	✓	✓	✓		✓

The formulation facilities of the Company process agrochemicals in Water Dispersible Granule (WDG or WG), Suspension Concentrate (SC), emulsifier (E), Emulsifiable Concentrate (EC), dusts (DP), and granules (GR) formats, among others, and have a world-class storage facility. Our manufacturing facilities are also outfitted with amenities that aid in water recovery, recycling, preservation, and reduction, thereby bolstering its Green Initiatives.

Measures undertaken to enhance manufactured capital

Efficient demand and supply management

PI has a three-year rolling business plan for all our manufacturing products. Asset utilization is mapped effectively to manage business requirements and demands well in advance. Forecasting of demand by the business team is mapped by the asset planning team in the form of a business plan for the year, along with campaign mapping with the highest asset utilization for each plant.

Technology-driven process efficiency

All our plants at Jambusar are fully Distributed Control systems (DCS) automated plants with the latest technology of Foundation Fieldbus (FF) and Remote Input/Output (RIO). The installation of RIO which is a combination of Yokogawa, Japan, and Turck, Germany at PI is currently the biggest in Asia. Apart from the DCS system, we have adopted tools to monitor the efficiencies of the process, we have trained, and competent manpower engaged in manufacturing and supporting functions. Production efficiencies are being monitored and tracked by different forums like digital manufacturing technologies (DMT) at the plant level, digital rights management (DRM) at the Site level, and functional reviews at the Company level.

Quality management

All our manufacturing sites are accredited ISO 9001:2015 for quality management systems and are equipped with best-in-class quality systems and analytical infrastructure. We have a robust system of quality control and quality assurance to ensure consistent product quality by monitoring each critical analysis, starting from raw material to finished goods including several in-process control samples. Each sample is tested against a well-defined quality plan with the Standard Method of Analysis, developed in-house. Our analytical labs carry the ISO 17025 NABL accreditation. Our plants use a laboratory information management system (LIMS) for efficient quality controls.

Integrated environment management capabilities

In FY23, we recycled 14,699 KL of water through rain water harvesting and RO permeate. Along with online analysis of effluent treatment, we have been able to reduce our waste output significantly. To reduce the consumption from FY21 of electricity generated from fossil fuels, we have installed a rooftop solar plant at the Udaipur facility which has led to a 2x increase in renewable energy consumption and a reduction in greenhouse gas (GHG) emissions from our operations. We are also working to improve the EcoScale of our products to reach the top bracket. At present, more than 60 percent of products fall in the green category. As a result of all green initiatives, our R&D facility at Udaipur and the Formulation plant at Panoli are now zero liquid discharge units. We are also working on converting our technical units to zero liquid discharge units in a phased manner.

Output

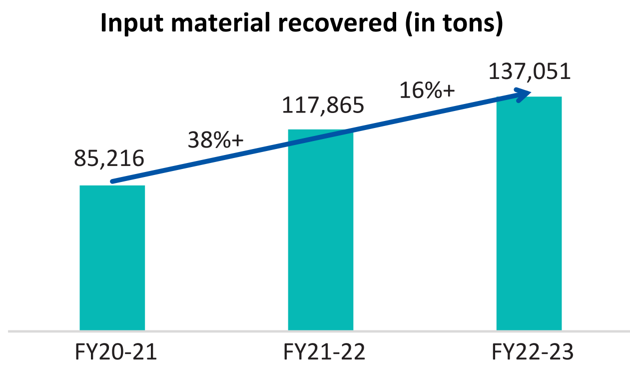
Operation excellence has been identified as a priority in our growth strategy. Maintaining inventory to avert supply chain disruptions, meeting customer supply schedules, and continuing operations have been one of the highlights of our achievements this past year. Technological integration into the production process has significantly contributed to this achievement.

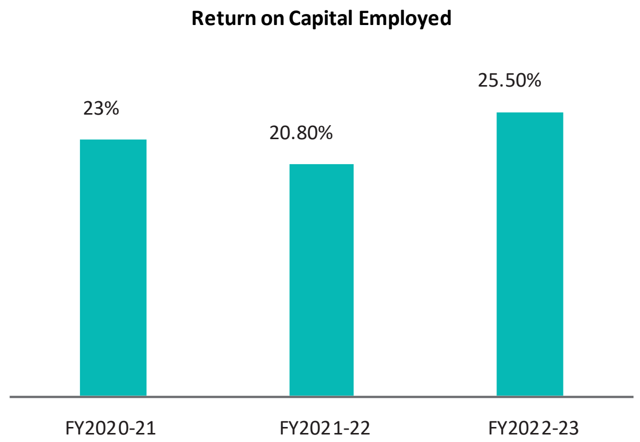
Highlights on process efficiency achieved

14,699 KL
water recycled through rain water harvesting & RO permeate

2x increase
in renewable energy consumption from FY21

17%
reduction in carbon emissions intensity from FY22





Outcome

We have made noteworthy progress in increasing production efficiencies. Among other things, operations excellence in manufacturing helped offset the trend of rising input costs in the past year. We also commercialized two new process innovations at the Kilo Lab/Pilot Plant stage. Our focus on quality control and assurance through certification has helped us effectively cater to a global innovator partner base.

As manufacturing remains a core capability center in our inorganic as well as organic growth strategy, we anticipate intensified capacity expansion. Continued scale-up in demand for existing products, a strong pipeline of products at different stages of development, and our target to commercialize 4-5 products every year will result in increased production activity. Simultaneously, we will also ensure that carbon emissions intensity and quantity of freshwater consumed by metric tonne of production remains low with a continued focus on circularity, building supply chain sustainability, process innovation, and engineering.

Intellectual capital

Growth pillar supported: IP, Inorganic

Impact on other capitals:

We firmly believe that responsible growth is closely intertwined with the effective utilization of intellectual capital. At PI, we recognize the immense value of knowledge, expertise, and innovation in shaping a better future. We leverage our intellectual capital to drive innovation and develop sustainable solutions that address the complex challenges facing the agricultural sector. By harnessing the power of research and development, we continuously strive to enhance the efficiency, safety, and environmental sustainability of our products and processes.

Key Material Issues	SDG Alignment	Key Highlights
Economic - Supply Chain Management, Product Safety, and Quality Assurance	8 Decent work and economic growth; 12 Responsible consumption and production	Manufacturing and R&D sites quality assured with ISO 9001, ISO 14001, ISO 45001, ISO 50001, ISO 17025, ISO 27001
Environment-Chemical Substances	6 Clean water and sanitation; 12 Responsible consumption and production	**9.2%** Biologicals contribution to domestic agri brands revenues

Key Material Issues	SDG Alignment	Key Highlights from FY23
Economic Performance	8 Decent work and economic growth	Team of **473** scientists and researchers driving R&D **15** patents filed in FY23
Environment – Climate Change	13 Climate action	**₹ 1,859** million in R&D expenditure in FY23 **23%** spent on improving environmental impact of products and processes **52** actions were listed and completed under process innovation for FY23 across **14** commercialized products

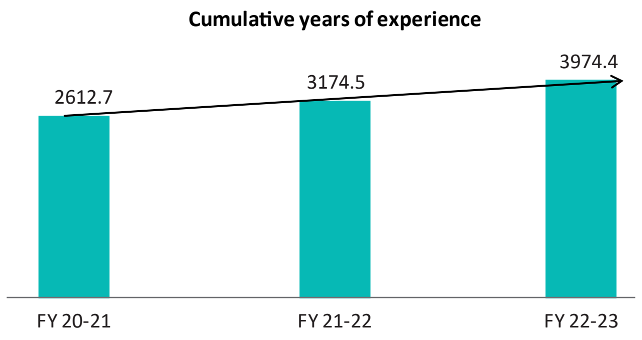
Input

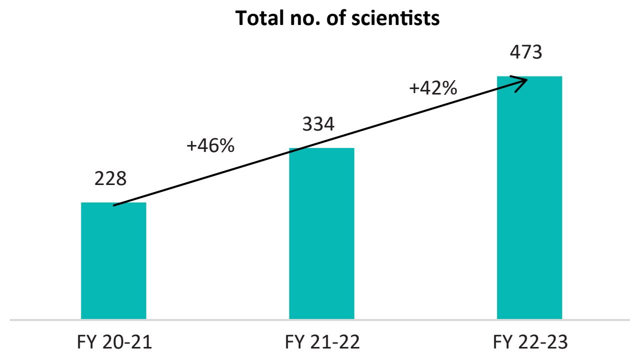
'To innovate is to lead' philosophy is imbibed in our process and R&D. We employ diverse strategies to recruit our R&D team, aiming to attract top talent from the industry. Our approach includes campus hiring, referral programs, and walk-in drives to ensure we identify the best candidates. Additionally, we have established partnerships with leading consultants to source exceptional talent in specialized areas. We have continuously increased the strength of our R&D team. By the end of FY23, our team comprised of 473 scientists, indicating a 42% year-on-year increase in team strength.

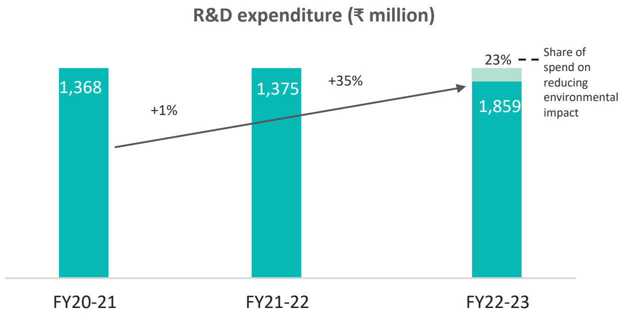
Further, 23% of this investment was in specific technologies to improve the environmental impact of our products and production processes.

As a testament to our continued focus on product innovation, we also increased our R&D expediture by 35% from FY22.

Our in-house R&D capabilities have enabled us to compete with our peers at a global and local level effectively. Our focus on developing long-term solutions is driven through a strong team of scientists. We have implemented systematic measures to address attrition of scientists, to ensure we have the right talent pool serving path-breaking innovative solutions. In recent years, we have implemented a practice to evaluate the equilibrium between knowledge acquisition and the depletion caused by attrition. To ensure we do not lose on knowledge basis attrition, we continue to focus on employee wellbeing and benefits highlighted in the human capital section.







Key initiatives undertaken to enhance intellectual capital

Product & Process Innovation:

Our Product Innovation team operates an advanced and comprehensive R&D infrastructure dedicated to our crop protection business. This cutting-edge facility encompasses chemical discovery, laboratories, greenhouses for biological testing, and on-site resources for initial field trials. Our R&D projects primarily focus on combating plant diseases, controlling animal pests, and managing weed populations. Scientifically, our work involves the entire chemical synthesis process, from discovery to scale-up, along with analytical techniques for structural elucidation, quantification, and preparative purification. Additionally, our team utilizes molecular design and modeling, classical biological evaluations encompassing in vitro and in vivo labs, greenhouse experiments, and field testing. These activities are supported by biochemical and molecular biology research, as well as formulation development. To facilitate seamless collaboration and data management, we employ an integrated, state-of-the-art electronic documentation and management system.

We are constantly striving to improve the effectiveness of our products while lowering their environmental impact. Our innovation extends to our processes as well, where we aim to maintain the highest standards of Quality, Health, Safety, and Environment (QHSE). The R&D team works in integration with the manufacturing teams to increase the use of raw materials from renewable sources, generate less waste, save energy, utilize less water, minimize our carbon footprint, enhance the safety of products and processes, and reduce environmental load. While innovating new products, product design criteria is one of the key focus areas. The R&D team works with an EcoScale and it uses this scale to monitor and minimize the waste generated per metric tonne of production. We aim to move most of our product line to the best performing standards in terms of waste reduction. The products are designed to achieve high use case efficiency with the minimum possible impact on the environment. We strategically aim and strive to increase the share of biologicals in our portfolio and improve soil organic content. At present, biologicals contribute 9.2% of domestic agri brands revenue.

We undertook extensive efforts to minimize the volume of packaging waste through smart packaging. Our labeling on products is paper instead of plastic and we are using all paper-based packaging material manufactured from 100 percent recycled material.

"Biologicals contribute 9.2% of domestic agri brands revenue

Intellectual Property

We employ advanced techniques for conducting thorough prior art searches to identify proprietary intellectual property (IP). Our priority lies in safeguarding our intellectual capital through the filing of patents, which are diligently prosecuted to secure grants. To ensure ongoing protection, we diligently fulfill maintenance fee obligations once a patent is granted. Additionally, we proactively monitor and track competitor activities in relevant domains, regularly providing stakeholders with weekly updates on the latest developments in the field.

We successfully set up our knowledge management function which is responsible for literature and patent search, customer and competitor intelligence, patent filing and prosecution, and managing our intellectual property. This function complements the science and technology related activities across R&D, PI business unit groups, and other corporate functions.

Quality excellence

We believe in delivering quality to our partners. To maintain the finest quality products, we adhere to stringent quality standards. Extensive quality control measures extend across the value chain within the organization to ensure the safety of the people handling the product and the quality of the product. We adhere to multiple certification requirements to ensure high-quality product delivery and safety standards and undergo periodic assessments to stay in line with the latest developments.

Existing certifications:

ISO 9001:2015 (Quality Management System), ISO 14001:2015 (Environment Management System), ISO 50001:2018 (Energy Management System), ISO 45001:2018 (Occupational Health and Safety Assessment System), ISO 27001: 2018 (Information Security Management System), Responsible Care, ISO 17025:2017 National Accreditation Board for Testing and Calibration Laboratories (NABL), Good Laboratory Practice

Technology integration

At PI we have integrated IT into our processes to enhance overall operational efficiency. We actively leveraged IT to grow revenue, save costs through automation and collaboration tools, and enhance compliance and risk management capabilities.

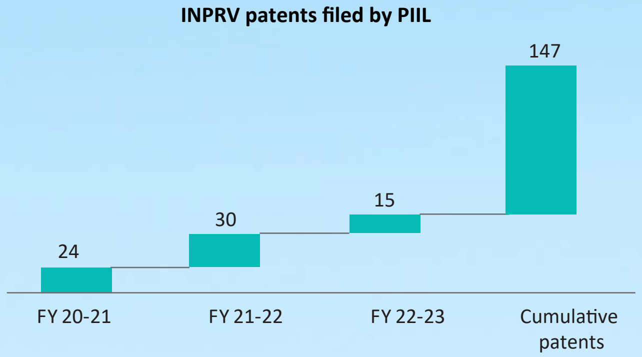
We value the information, knowledge, and personal information of people. To ensure the safety of the data, there is a four-layered cybersecurity system in place which is tuned to PI's business requirements. Additionally, we are an ISO 27001:2018 (Information Security Management System) certified Company and have rolled out corporate policies and initiatives to ensure necessary compliance at the internal as well as external stakeholders' end. There is a well laid out escalation process available for employees in the event of suspicion.

Our key initiatives undertaken for technology integration in R&D:

Firewall installation for all public facing applications	SAP ARIBA to create a digital supplier network and handle end to end Supplier lifecycle management and onboarding of all targeted suppliers. It involves digital invoices directly from vendors	Electronic lab notebooks to CSM and R&D to ensure seamless collaboration and standardize laboratory work and research

Output

Intellectual Property is a key growth pillar for us and provides us a competitive advantage. Cumulatively, we own 147 patents to our name. In FY23, 15 patents were filed, and 13 patents were registered. These patents add value to our consistent investment in our R&D function and gatekeep the competitive advantage.



Outcome

Our steadfast dedication to green chemistry has enabled us to pinpoint products and meticulously assess opportunities for process enhancement across 14 comprehensive projects. All listed actions for process improvement were diligently executed to enhance raw material (RM) standards. We continue to identify opportunities and scope for the reduction of waste generated to manufacture products. In line with the principles of green chemistry, we have also developed colour coding (EcoScale) to monitor our journey towards the reduction of waste generated from our manufacturing operations.

We continue to improve our products with empirical evidence and thus, we have begun our journey to conduct a Life Cycle Assessment (LCA) of 14 commercialized products. We identified 52 action points for these products and all these actions were completed.

We secured second place in the Safety Awards by the Rajasthan government. Additionally, this year marked our debut presence at the prestigious International Union of Pure and Applied Chemistry (IUPAC) International Congress of Crop Protection Chemistry held in India.

Human Capital

Growth pillar supported: Organic, Build, and IP

Impact on other capitals:

Our commitment to responsible growth is deeply intertwined with the empowerment and development of our human capital. We recognize that our employees are the driving force behind our success and their well-being is essential for a sustainable future. By investing in their growth, fostering a culture of diversity and inclusion, and providing opportunities for professional advancement, we unlock the full potential of our human capital, paving the way for a better tomorrow.

Key Material Issues	*SDG Alignment*	*Key Highlights from FY23*
Human Rights and Inclusion	4 Quality Education; 10 Reduced Inequalities; 16 Peace, Justice and Strong Institutions	• **3,354** employees • **5 Persons** with Disabilities* (PwD) employed in our workforce • Female participation increased to **14%** in STEM positions and to **8.2%** in all management positions
Benefit and Employee Care	8 Decent Work and Economic Growth	• Flexible working hours and **Work from Home (WFH)** arrangements • **Health insurance** for all permanent staff • **Paid maternity** for female employees
Benefit and Employee Care	8 Decent Work and Economic Growth	• **Paid Paternity/adoption** leave for male employees • **Childcare facilities**, breastfeeding, and lactation rooms across operational offices • **Mental Health Awareness sessions** covering Anxiety, Depression, De-addiction conducted • **70,285 total employee learning hours** clocked • **21 average learning hours** per employee
Labor Relationship	8 Decent Work and Economic Growth	• **Workplace committees for canteen and safety** to ensure feedback from employees and workers • Institutionalization of internal **Works Committee to handle matters** of the employees and related grievances
Occupational Safety and Employee Health	3 Good Health and Well-Being; 8 Decent Work and Economic Growth	• **59** trainings for **908** learnersconducted under process and safety; **6,746** learning hours clocked in Zero work related fatalities among permanent and contractual staff • **LTIFR 0** among permanent employees and **0.11** among contractual employees • Process safety events rate for Tier 1 events recorded at 0.068 • **ISO 45001** certified manufacturing sites

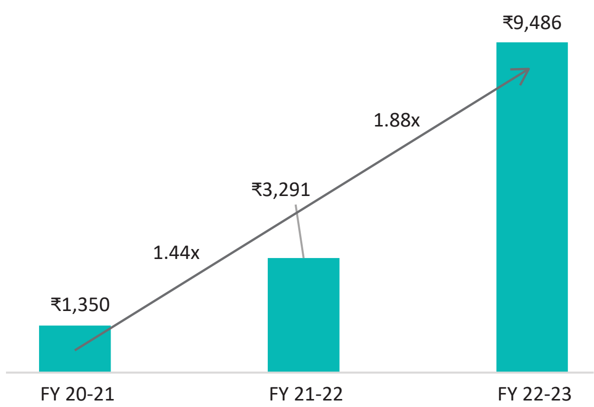
*While complying with Gujarat Physically Handicapped Persons (Employment in Factories) Act, 1982

Input

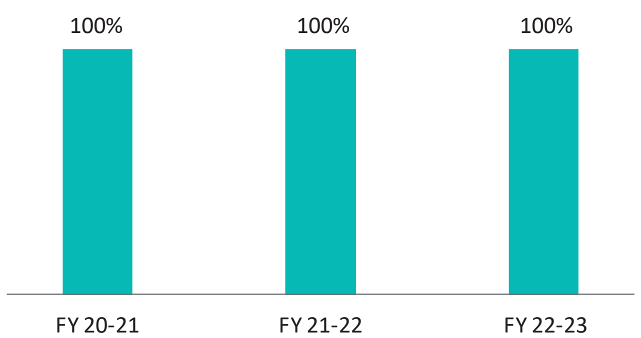
We prioritize attracting, retaining, and nurturing top talent, investing in their career growth. In FY23, we added 1,077 new employees, further strengthening our human capital. Our focus on learning and development remained paramount, with a nearly three-fold increase in training investments per employee compared to FY22. We ensure competitive compensation packages and provide opportunities for each individual to thrive in their roles.

> In FY23, we added 1,077 new employees, further strengthening our human capital.

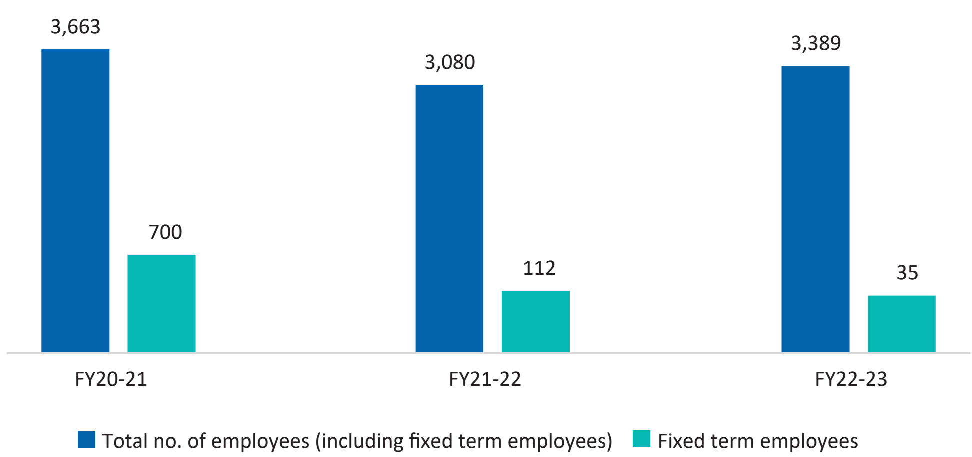
Total spend per employee on training (₹)



Year-on-year utilization of performance management system



Annual employee trend



Personnel Type and their count

	2020-21				2021-22				2022-23			
	Total	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50
Directors	3		1	2	2		1	1	2			2
Top Management	17		3	14	16		4	12	15			15
Senior Management	80		57	23	88		63	25	97		62	35
Middle Management	198		162	36	186	1	156	29	203		164	39
Junior Management	346	19	294	33	367	21	313	33	371	20	311	40
Executives	816	286	512	18	841	343	474	24	1013	403	579	31
Officer & Associates	1277	394	819	64	1434	478	875	81	1622	487	1029	106
Workers	45		27	18	40		23	17	31		18	13
Grand Total	**2782**	**699**	**1875**	**208**	**2974**	**843**	**1909**	**222**	**3354**	**910**	**2163**	**281**

New joinees

Personnel Type	2020-21			2021-22			2022-23		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Top Management	3	3		9	9		2	2	
Senior Management	7	6	1	24	24		21	20	1
Middle Management	23	22	1	75	70	5	51	46	5
Junior Management	53	49	4	164	149	15	96	80	16
Executives	154	140	14	460	424	36	457	410	47
Officer & Associates	106	105	1	436	426	10	450	437	13
Grand Total	**346**	**325**	**21**	**1168**	**1102**	**66**	**1077**	**995**	**82**

Enhancing our Human Capital Strategy

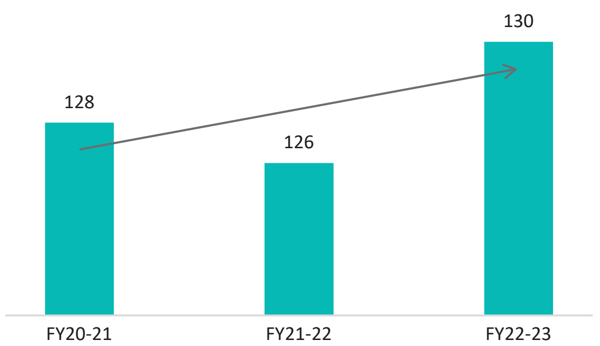
Over the years, PI has not only been able to attract talent but also retain them for a long period. The 3P approach of Product, Process, and People is our deep-rooted and time-tested model to create a capability development roadmap for our people. To meet the evolving job requirements across different levels, we provide our employees with tailored opportunities for growth. In pursuit of enhancing their technical, functional, and business acumen skills, we have forged strategic collaborations with esteemed Indian academic institutions. Notable partnerships include IIT-Madras, NITIE, IIM Udaipur, and SP Jain School of Global Management.

These collaborations served as catalysts for our employees' professional development, enabling them to acquire industry-relevant knowledge and skills. Through specialized programs offered by our partner institutions, we empowered our workforce with the necessary expertise to excel in their roles.

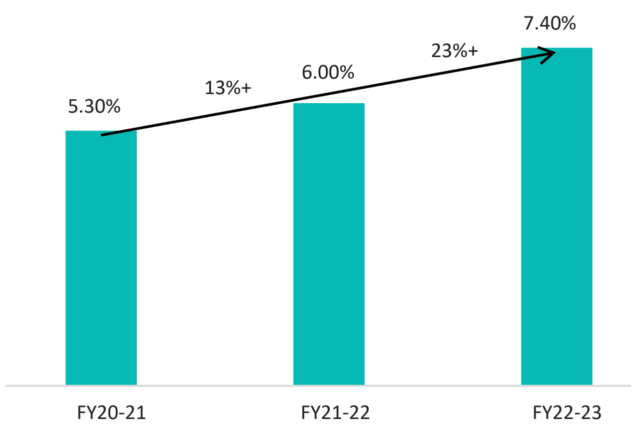
The impact of these initiatives is reflected in the increased enrollment of Management Executives in such programs. In FY23, the number rose from 126 to 132, showcasing our commitment to continuous learning and upskilling.

Our leadership capability framework is designed to nurture individuals and unleash their true potential, enabling them to evolve into well-rounded leaders. We continued to place great emphasis on supporting our leaders as they transitioned from one level of leadership to another, ensuring a seamless and empowering journey. We provided continuous support, tools, and techniques to facilitate feedback and coaching conversations, ensuring that our leaders are well-equipped to lead their teams with confidence and effectiveness. Together, we foster an environment that promotes growth, collaboration, and collective success.

Management executives enrolled in programs: General manager and above



Women in all management positions



Organizational Culture

At the core of our organizational culture lies our purpose: Reimagining a Healthier Planet. This purpose serves as the bedrock of our values, beliefs, and actions, fostering an environment where everyone is empowered to contribute. We firmly believe that a healthy planet is essential for the well-being of current and future generations. Our holistic approach encompasses environmental sustainability, social equity, governance, and economic vitality. We understand the interdependence between the planet and its inhabitants, and we are committed to finding innovative solutions that transcend boundaries for the betterment of society.

Aligned with our purpose, our vision is to lead with science, technology, and human ingenuity in creating transformative solutions in life sciences. We emphasize scientific excellence, evidence-based practices, and cutting-edge technologies to revolutionize the field. By nurturing human creativity and encouraging differentiated approaches, we strive to make breakthroughs that fundamentally transform the planet, advance scientific knowledge, and positively impact society. We are continuously striving towards responsible growth to build a better tomorrow.

Four core values underpin our culture: Courageous, Curious, Creative, and Caring. We act boldly, with integrity and accountability, challenging the status quo and pursuing innovation. We foster a culture of curiosity, questioning assumptions, and encouraging diverse perspectives. Collaboration and experimentation are essential to our creative culture, enabling us to stand out and spark innovative ideas. Above all, we cultivate a caring culture of compassion, empathy, transparency, trust, and personal and professional development, while also prioritizing sustainability and minimizing our ecological footprint.

Further, we recognize that performance management is pivotal to employee development and cultivating a culture of continuous improvement. Our approach to performance management encompasses all full-time employees, ensuring that they receive regular feedback from their managers. It is designed to foster a strong performance culture, serve as a development tool for individuals, and place equal emphasis on both the 'What' and 'How' aspects of the overall performance feedback cycle.

Together, these elements form the essence of our organizational culture, driving us to reimagine a healthier planet and leave a positive legacy for generations to come.

Talent Attraction and Retention

Talent attraction and retention are critical components of human capital at PI. Our compensation is based on equity, both internal and externally consistent

Management trainees part of Aagman batch of 22-23

with emerging market trends and sole focus on meritocracy and talent. We conduct compensation surveys periodically as per market trends and align our employees' compensation accordingly. Employee retention is a key parameter for human capital growth, and we undertake a variety of initiatives to ensure the retention of high-performing talent through monetary and non-monetary benefits. We continued to run our performance and retention incentive scheme for Assistant Managers and above to reward and retain valuable contribution. The policies and processes implemented at PI Industries are designed to support informed oversight and the functioning of the Board and its committees. These policies provide a framework for effective governance, enabling the Board to fulfill its responsibilities and ensure the company's success. employees. At PI, we value the wealth of experience of our senior employees and so we continue to engage with them even after their retirement from active roles. Superannuated employees are considered for hiring in advisory/ consultant roles as the need arises.

Further overview of our talent attraction initiatives undertaken across FY23

- Continued with our flagship programs Project Uday and Aagman, to integrate the campus focused hiring program along with enhanced onboarding of candidates in the system
- Successfully repositioned our strong brand in the graduate management and engineering training program, becoming a preferred choice for campus hiring at top-tier colleges. As a result, the company secured Day Zero slots in campus hiring programs. This strategic move led to a significant increase in the number of applications received, doubling the overall response. Moreover, the Company experienced a four-fold rise in the number of hires from key campuses compared to the previous year
- Over 115 Science discipline students were hired and inducted through a 3-month training program with a leading academic institution in Gujarat. Further, the students were provided a comprehensive one-year shop floor program, to equip them with relevant skills and get absorbed in various roles across PI
- More than 100 Agriculture discipline graduates were hired closely with the regional managers across locations to understand the commercial and sales work and were equipped with comprehensive on the job training
- Grew the number of scientists in our R&D team by 41.6 percent to 473
- Overall social media and employer branding grew across key platforms and the performance for FY23 stood as

- o Based on Glassdoor feedback reviews, over 70 percent of individuals are highly likely to recommend PI Industries to others. Additionally, 85 percent of respondents expressed a positive outlook for the company's business
- o 99 percent organic growth witnessed in followers on the Company page on LinkedIn

Employee Wellbeing and Support programs

To enhance our employee's experience, we continued to provide them with a comprehensive set of employee benefits ranging beyond monetary compensation.

- Flexible working hours arrangement for management professionals across all corporate and regional offices
- Work from home arrangements basis job roles
- Health Insurance
- Paid annual leaves
- Paid maternity
- Paid Paternity/adoption leave
- Childcare facilities, breastfeeding and lactation rooms across operational offices

Rewards & Recognitions

Our teams receive recognition with financial rewards once every quarter. 52 employees received rewards financial rewards. Out of these, 40 received individual recognition with financial rewards in the range of ₹2,000 to ₹5,000. 12 employees were rewarded as part of a team.

We have also instituted rewards and recognition categories for specific business units, to celebrate individual contribution. Our CSM business unit rewards contribution by teams in the areas of production performance, operational excellence, environmental sustainability, systems compliance, technology transfer, projects and R&D innovation. We also recognize teams who have aligned themselves with our STRIVE program – Steps Towards Recurring Improvement and Value Excellence – and have demonstrated exceptional performance. Further, we have rewarded individuals in areas of safety and offered special recognition for contribution to cost savings. 24 individuals were recognized for their efforts.

CSMXCHANGE
INSPIRE. COMMUNICATE. ASK.

Our PI Agri business unit, on the other hand, offers recognition on a quarterly and annual basis. In FY23, 218 individuals in all, received company-wide recognition. Individuals were awarded across categories such as Zonal award, Regional award, Breakthrough idea, Best launch, Digital champion, Champion - Operational excellence, Champion – Operational efficiency, Rising star, New product champion, Pipeline Advancement Champion, Customer Service Excellence, Biologicals Champion, Champion People Process, Above & beyond scheme, Town hall recognition and Long-term Service award.

Employee health programs

We further undertook multiple employee wellbeing initiatives through a series of health talks and events to ensure our workforce followed a healthy routine:

- Virtual Health Talks
- Basic First Aid & CPR Training
- Wealth Management Workshop
- Arthritis & Joint Pain: How does it affect you?
- How to stay safe from COVID in 2023
- Mental Health Awareness - Anxiety, Depression, De-addiction
- Dietary Guidelines for Diabetic and Pre-Diabetic Employees
- How to Prevent & Cure Diabetes
- Recent Advances in Orthopedics
- Parenting in Working Women
- Mental Health & Stress Management
- Employee celebrations and events

At PI we always promote celebrations and events to rejoice on our employees' achievements and celebrate key milestones along with meaningful celebrations. At PI, we celebrate all festivals across all religions. We continued to undertake events in FY23, some of the key events undertaken by us were:

DEI and festival celebrations

- Women's Day
- Festival Celebration
- Holi Celebration
- Diwali Celebration
- Children's Day - Drawing Contest for Kids

Sports celebrations

- Cricket Match
- Indoor Sports
- FIT @ PI - Zumba Session
- Virtual Yoga Session

Corporate events and townhalls

- PI Founder's Day Celebration
- Corporate Townhall
- Promotion Celebrations

Employee volunteering

- World Environment Day - Tree Plantation Drive

Employee learning and development

Learning and Development initiatives are key to our employees' success and, as a responsible employer, it is our philosophy to continuously upskill our employees. We view learning as an investment and a tool to hone in-house talent and leadership. Monthly training calendar for each of our business unit and function is a critical initiative. It encourages our employees to continuously invest in their learning and exhibits organization's commitment towards people development. Further integration of technology in the form of the Learning Management System (LMS), enabled us to monitor the execution of the training calendar effectively.

Our consistent organic growth over the years has enabled us to develop a strong pipeline of leaders. Our focus on succession planning has been key to de-risking the organization and providing avenues for the development of leaders. We conducted an effective succession planning exercise to identify and develop leaders within the organization for two levels below CXO positions. We developed customized solutions to cater cross-functional and behavioral areas of leadership development. Our strategic initiative such as Executive Coaching for CXOs and key leaders, enabled us to build stronger functional competence of our leadership teams.

We also stepped up our collaborations with academic institutions to facilitate best in class training opportunities for our employees. This year we increased the number of academic partners from one to three by successfully onboarding IIT Madras, IIM Udaipur, and NITIE Mumbai.

Some of the key programs undertaken across FY23 which enabled quantifiable skillsets to our employees have been enlisted below.

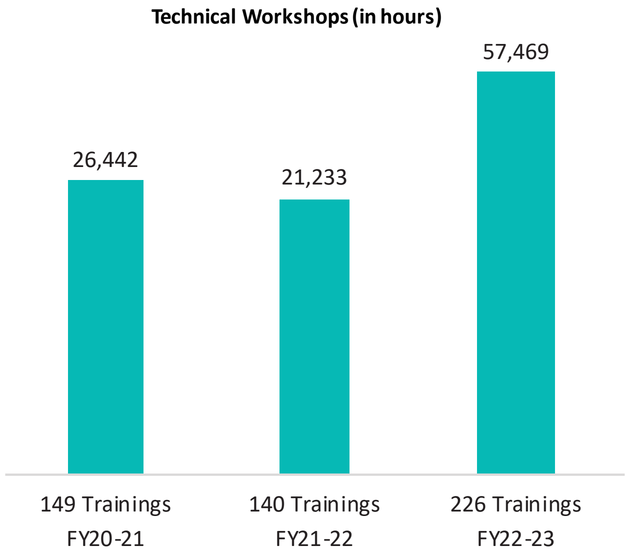
- **Certification in workplace safety by NITIE:** comprehensive classroom training with a blended approach of on-the-job projects for the application of learning in safety management, to enhance workplace safety and employee preparedness
- **Leadership development:** certification program rolled out in collaboration with Indian IIM Udaipur, for three months that combines leadership skills, business, and financial acumen for leaders
- **Coaching intervention for the C-Suite:** dedicated

coaching program through senior industry coaches for business leaders to develop leadership skills

- **'Parivartan' - Sales team capability development roadmap:** a multi-year learning journey for our field force across the sales organization to drive performance and unlock potential for strong business performance

Tie ups with post graduate programs in colleges

	22-23	21-22	20-21
Partners	NITIE IIT Madras IIM Udaipur	IIT Madras	None



Each year PI Industries recognizes some focus areas and encourage its employees to build capacity and develop skills. The focus areas for past three years are as follows:

Focus Areas for skill development	FY 22-23	FY 21-22	FY20-21
Key skills developed	• ESG • Growth Mindset • Workplace Safety • Process Safety • Business Communication • Risk management	• Emergency response • ISO- certification • Hazardous Waste Handling • Negotiations & Interaction with Customers • Lateral Thinking & Innovation	• Supervisory Development program • Six Sigma • ISO certification • 5S • Workspace • Effective E-mails communication

In FY23, we also engaged our senior leadership team in a series of ESG related workshops to help with strategy development. The workshops acted as catalysis and helped the leadership team to envision PI's 2030 North Star. The workshops further equipped our senior leaders with the necessary knowledge and strategies to integrate Environmental, Social, and Governance (ESG) considerations into their decision-making processes. This interactive exercise brought together key business unit heads and functional heads to explore the interconnectedness between sustainability, social impact, and effective governance. Participants engaged in thought-provoking discussions, scenario planning exercises, and collaborative problem-solving sessions to develop a robust ESG framework that aligns with their company's long-term vision.

By incorporating sustainability goals, ethical practices, and stakeholder engagement, leaders envisioned pathways to unlock new opportunities, mitigate risks, and create shared value. The workshop empowered our leaders to become champions of ESG, driving transformative change and positioning their teams and functions as drivers of sustainable growth in the pursuit of the long-term goals.

Digital learning initiatives

To encourage our employees to learn 'anytime anywhere' and get access to world-class content, we introduced LinkedIn Learning for our employees. The learning was accessible to all employees through the web and mobile app-based learning options. The content solution gained significant momentum in the organization, as it provided all key courses and

In FY23, our senior leadership team attended a series of workshops on ESG to help with strategy development

programs across technical and management skills which are required for the upskilling of employees to perform at their optimum.

Performance Management

Performance management is the core of employee development at PI and we strive towards a culture of continuous feedback for improvement. Our performance methodology is intended to integrate and cover 100 percent of PI's full-time employees who undergo regular performance feedback from their respective managers. Our performance management framework integrates three key tenets of building a strong performance culture, a people-oriented development tool, and equal focus on the 'What' & 'How' of the overall performance feedback cycle.

Performance management process

We continued to follow our annual appraisal cycle for employees and the framework was focused on tracking achievements across the goals set by the employees. The goal-setting process was driven by the managers who integrated a balanced scorecard approach to crafting sharp and strategic performance goals. This year we focused on quality goal-setting conversations, through respective Business Unit Heads, conducting structured goal cascade conversations up to two levels below the manager. We also introduced the development goals section intending to encourage our people to work on their focused development areas.

As a part of building effective managerial skills and aligning with the performance management system, we introduced a series of workshops and training for managers. Workshop-based interventions for all people managers focused on themes such as providing holistic feedback, managing difficult conversations, and helping the team develop themselves to be more responsible and perform at high levels. As an endeavour to measure continuous feedback, we undertook the goal-setting effectiveness survey to understand pockets of improvement and incorporate key inputs from the employees.

Diversity, Equity, and Inclusion (DEI)

Our approach to DEI is based on treating all persons equally. We continued to practice our commitment to equal-opportunity employment. As an employer, we do not discriminate against anyone based on their gender, caste, religion, age (within statutory limits), marital status, nationality, ancestry, geographical origin, ethnicity, sexual orientation disability, or any legally protected trait in any employment terms such as hiring, transfer, compensation and benefits, career development opportunities and promotion. All recruitment and hiring initiatives and decisions are made solely based on the merits of the individual.

We have consistently upheld regional and national regulations while trying to employ a diverse workforce.

We have been working with the Gujarat state employment office to advertise for posts reserved for the differently abled. Further, in alignment with Schedule XX on the Manufacture or manipulation of dangerous pesticides (Source: Directorate General Factory Advice Service & Labour Institutes, Ministry of Labour & Employment, Government of India), we have increased the share of female employees in the organization except at our manufacturing sites.

We have ensured that all our key offices and operational sites are accessible for Persons with Disabilities (PwD). We continue to have five persons with disabilities as part of our workforce. Some of our key initiatives this year included the introduction of disabled-friendly washrooms, handrails on the staircase, caution tape marking on the staircases, skid-proof mats, sensor-based taps, and, wherever possible, the introduction of accessible infrastructure in the washrooms.

We encourage our employees to speak up in cases where they observe any misconduct at the workplace and have a vigil mechanism that lays out the process and responsible person to handle such issues, through a holistic grievance mechanism. It also lays out a foundation for the maintenance of confidentiality and anonymity wherever required. Employees can track the progress of their grievances through the Grievance Management portal.

Human Rights

Vigil mechanism and POSH policies also enable us to uphold our commitment to Human Rights within the organization. It is a guide to our focus on ethical conduct, social responsibility, and respect for universal principles. Additionally, PI strives to maintain transparency of reporting and due diligence of human rights across the value chain through declarations and assessments. Human rights due diligence forms an important part of our supplier onboarding, and we make sure the new suppliers being onboarded are aligned with our human rights commitments and standards. We also guide our vendors during annual vendor meets through our technical team to run their business responsibly. We audited 25 out of the 29 planned sites for health & safety practices. Additionally, three unplanned suppliers were also audited.

Our Supplier Code of Conduct establishes clear expectations and standards for the ethical and responsible behavior of suppliers and business partners associated with a company. It serves as a guiding framework that outlines the company's values, principles, and requirements related to areas such as labor practices, human rights, environmental sustainability, and business integrity. https://www.piindustries.com/Media/Documents/Supplier%20Code%20of%20Conduct%20New.pdf

Our policies are in line with ILO and the latest industry standards. Additionally, PI Industries has been a UNGC signatory since 2017. PI Industries is committed to respecting the human rights and dignity of people. PI Industries has created a framework of policies and commitments serving as standard guidelines to ensure that it conducts business ethically. Our employees are also trained annually on human rights issues and policies. Last year 94 percent of our employees underwent these pieces of training.

Human rights-related conflicts identified	FY23	FY22	FY21
Child labour/ forced labour/ involuntary labour	Nil	Nil	Nil
Sexual harassment	3	Nil	1
Discriminatory employment	Nil	Nil	Nil

- Human Rights Commitment Policy
- Whistle-blower Policy
- POSH Policy
- Anti-harassment policy
- Equal Opportunity Commitment Policy
- Anti-Bribery Policy
- PI Industries Code of Conduct

We believe that we interact with multiple value chain partners and their human capital also contributes to our business excellence and therefore, we extend our support and evaluation to our partners as well. We evaluate vendors on listed EHS Management systems and aspects of sustainability.

Occupational Health & Safety (OHS)

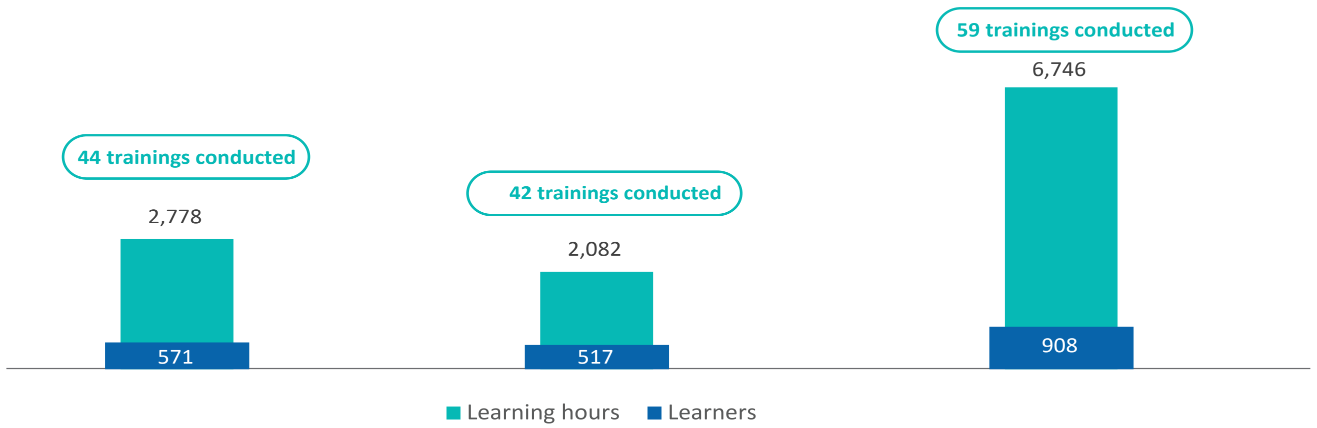
The Health & Safety of our employees continued to be our key focus areas in FY22-23. We assess our workplaces through internal and external assessments to minimize the risks associated with the health and safety of our workforce. We re-enforce safety across our workforce and value chain partners through a comprehensive OHS Policy available on our website, which covers our commitment towards safety. Out of five manufacturing sites, four sites are ISO 45001:2018 certified for FY 22-23, and the remaining site which was under audit was certified till December 2025

We treat our workforce as equal partners to minimize risks at the workplace. There are forums such as Safety Committee Meetings, Zonal Safety Committee, and suggestion schemes to invite suggestions and feedback from the workforce to improve our safety performance. We have established processes to identify work-related hazards through:

- Identification of unsafe behaviors and conditions through safety walks by area managers and leadership team
- Hazard Identification and Risk Assessment (HIRA), Job Safety Analysis (JSA)/Task Based Risk Assessment to assess risk at the workplace
- Verification of Hazop recommendations and Pre-Startup Review
- Report near-miss incidents to line managers for further investigation and implementation of further control measures
- On-spot reward and recognition of the workers' contribution to improving the workplace safety and integrates our Rewards & Recognition philosophy

We view Health & Safety from a preventive lens and extend our support to employees' overall wellbeing. There are full-time medical officers in charge at the operations sites and well-equipped ambulances at our facilities. All our employees and their families are covered through the group Mediclaim policy and PI has tie-ups with leading hospitals in the states where it has its offices and manufacturing sites to avail Mediclaim facilities. Regular wellbeing programs and campaigns are also organized across physical and mental health topics such as Bone Density analysis, Hypertension, Diabetes, Weight management, blood donation camps to maintain good health of employees.

Process and safety trainings conducted



Decimals rounded up to the nearest whole number

Freedom of Association and employee social dialogue forum

We strongly endorse forums for our employees to participate in various social groups within our organization, interact as a collective and suggest measures for workplace improvement. There is an active Safety and Canteen Committee across the manufacturing site, with equal representation from management and workers. The Safety Committee undertakes decisions and discussions on issues related to personal, process safety welfare of employees, industrial hygiene, and environmental management. The Canteen Committee is responsible for nutritious subsidized food services provided by the Company. Further, an Internal Works Committee was also institutionalized this year to undertake any matters of the employees and workplace related grievances.

Output

PI Industries has taken multiple initiatives over the years to create a conducive and healthy work environment where employees reflect our commitment to our people. It is vital to create development pathways for our employees within the organization, to foster long-term partnerships and sustainable growth. On this front, we have been able to double the training hours of our employees as compared to last year.

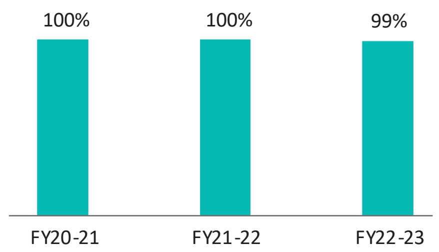
Almost all the employees are utilizing the Learning & Development tool to upskill. Average learning hours per employee have increased by 7 percent compared to FY22, indicating employee motivation to deliver their best at the workplace.

We are on track to reducing lost-time injury frequency rate to 0.20 by 2025 and ensuring zero fatal injury in plant operations. By actively tracking process safety events rate and severity rate of incidents, we have been able to identify trends, patterns, and areas of vulnerability in our processes and systems.

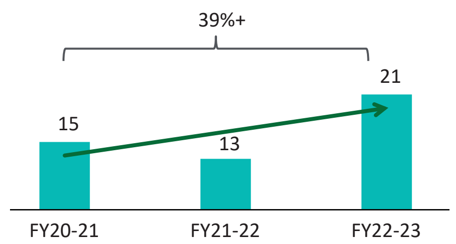
With concentrated efforts to make our sites safe and provide healthy working conditions, our performance has been reflected in key matrices that are tracked and analyzed rigorously.

Occupational Health & Safety	FY21	FY22	FY23
LTIFR- Permanent Employees	0.88	0	0
LTIFR- Contractual Employees	0.35	0	0.11
Work-related fatalities (permanent vs contract)	Employee: Nil Contractual: Nil	Employee: Nil Contractual: Nil	Employee: Nil Contractual: Nil
Process safety events rate	0.153	0	0.068 (Tier 1 events)
Severity rate	38.1	0	4.55

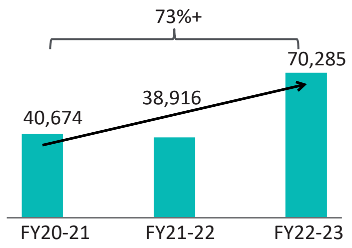
L&D tool utilization



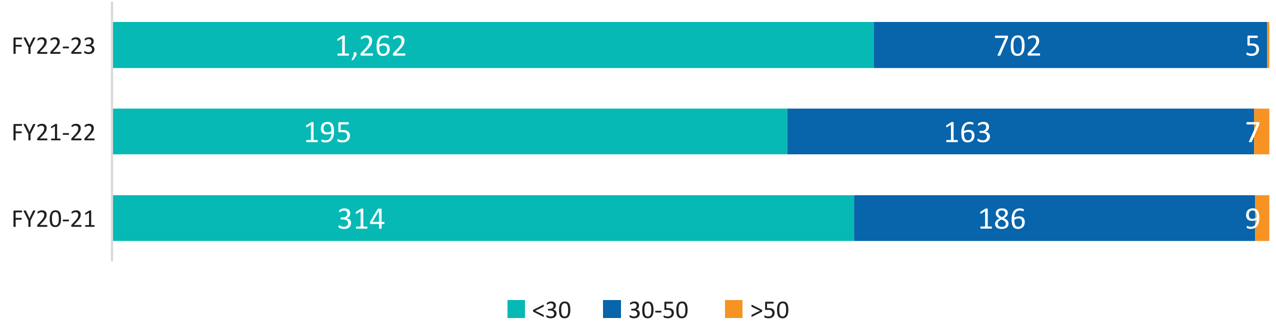
Average learning hours per employee



Employee training hours

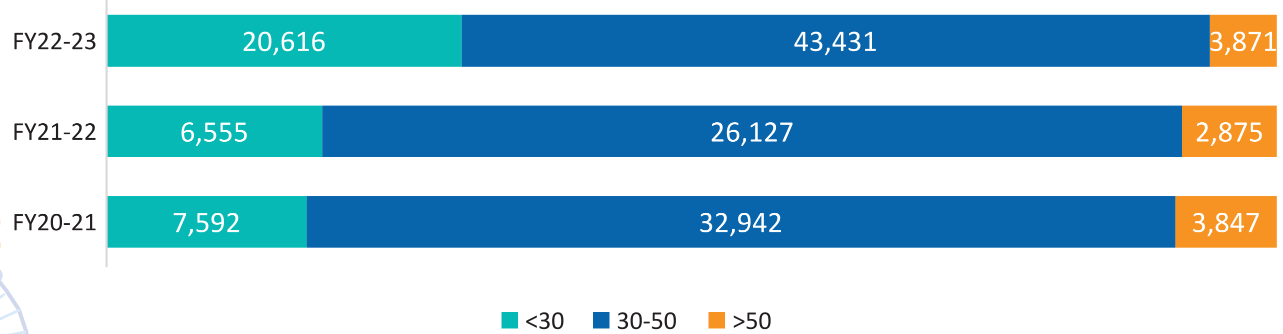


Learning hours: Female permanent employees

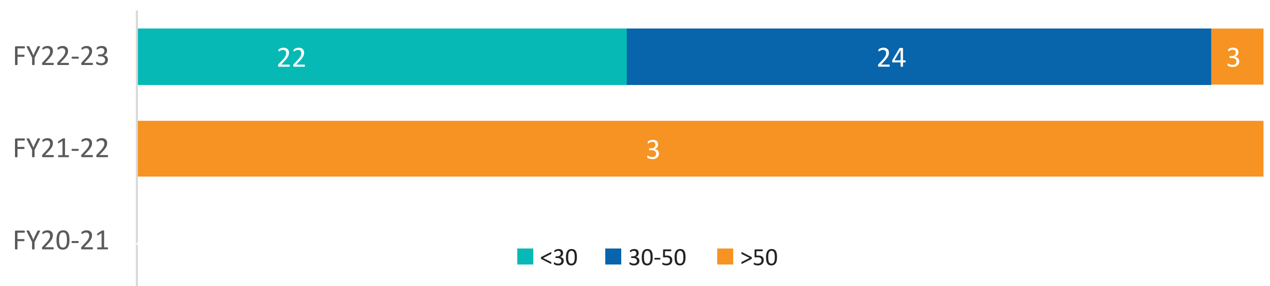


Decimals rounded up to the nearest whole number

Learning hours: Male permanent employees

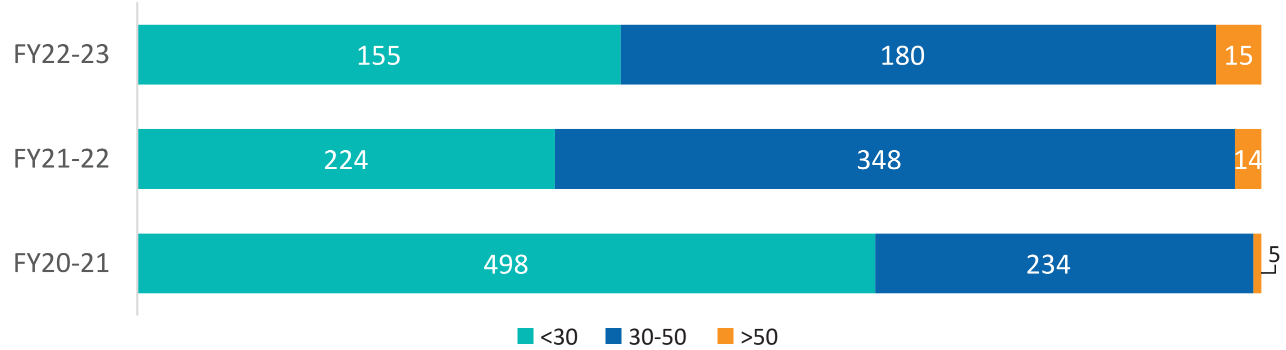


Learning hours: Female fixed term employees (FTE)



Decimals rounded up to the nearest whole number

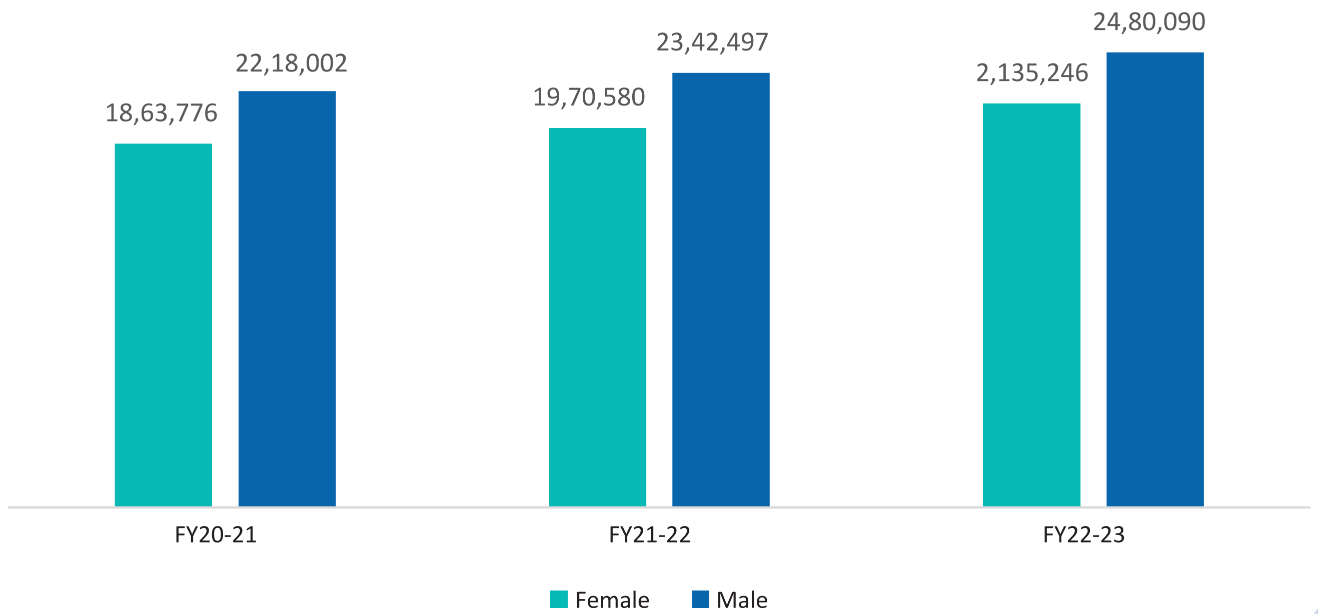
Learning hours: Male fixed term employees (FTE)



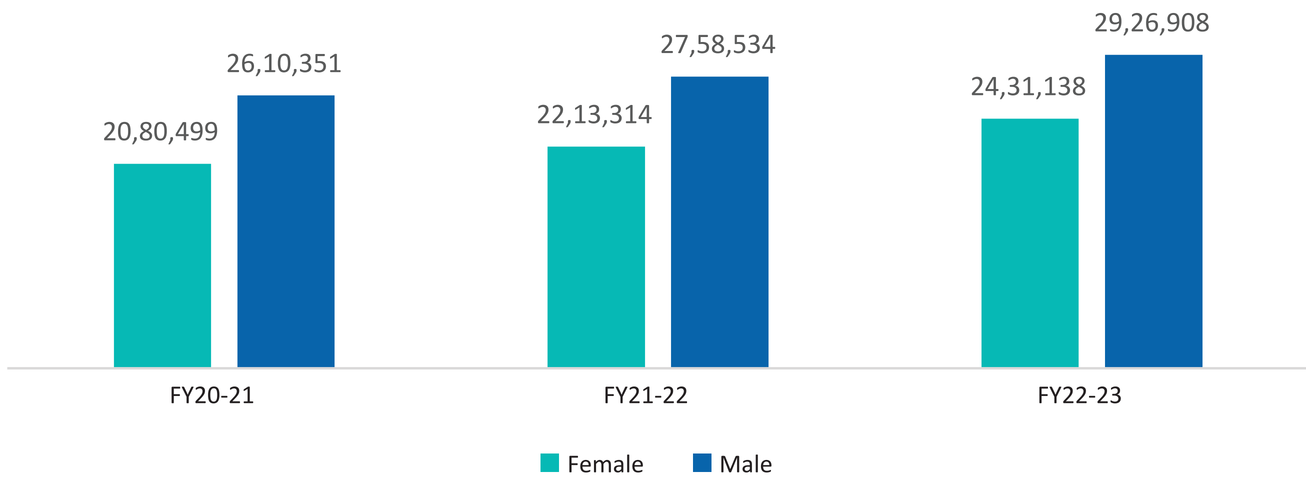
Decimals rounded up to the nearest whole number

Over the years, we have worked our way to achieve better participation of females in the workforce and improved standards of gender pay parity across levels. We have been able to improve gender pay parity in base salaries at the management level by about 5.8 percent.

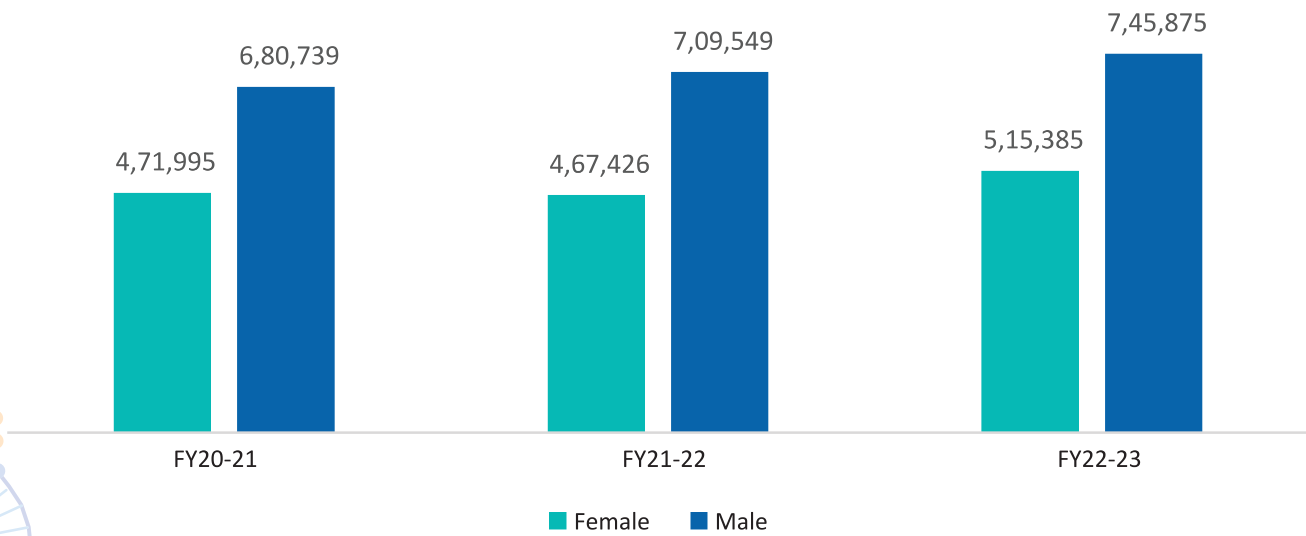
Average salary: Management level (base salary in ₹)



Average salary: Management level (including cash incentives in ₹)



Average salary: Non-management level (including cash incentives in ₹)



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Employee turnover

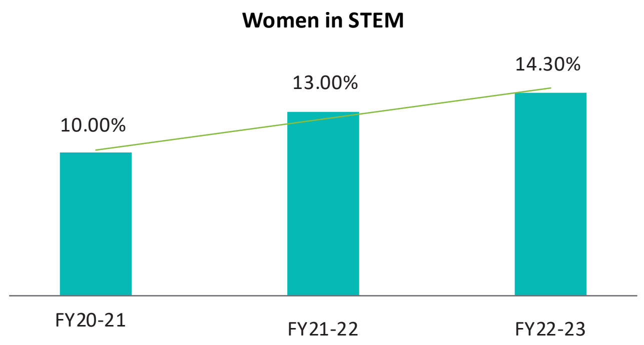
Level	FY23 Female <30	FY23 Female 30-50	FY23 Female >50	FY23 Male <30	FY23 Male 30-50	FY23 Male >50	FY22 Female <30	FY22 Female 30-50	FY22 Female >50	FY22 Male <30	FY22 Male 30-50	FY22 Male >50	FY21 Female <30	FY21 Female 30-50	FY21 Female >50	FY21 Male <30	FY21 Male 30-50	FY21 Male >50
Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Top Management	-	-	-	-	-	3	-	-	-	-	2	5	-	-	-	-	-	4
Sr. Management	-	-	-	-	10	10	-	-	-	-	22	2	-	-	-	-	7	6
Middle Management	1	4	-	-	42	5	-	-	-	1	54	10	-	-	-	-	18	2
Junior Management	2	2	-	5	87	2	3	2	-	7	86	4	-	-	-	7	27	6
Executives	15	4	-	110	151	2	10	-	-	84	126	-	2	-	-	55	75	8
Officer and Associates	4	-	-	166	98	4	2	1	-	136	64	3	-	-	-	87	44	4
Sub Total	**22**	**10**	**-**	**281**	**388**	**26**	**15**	**3**	**-**	**228**	**354**	**24**	**2**	**-**	**-**	**149**	**171**	**30**
Worker	-	-	-	-	3	4	-	-	-	-	-	-	-	-	-	-	-	-
Fixed Term	-	-	-	36	33	1	-	-	-	61	48	1	-	-	-	48	21	-
Grand Total	**22**	**10**	**-**	**317**	**424**	**31**	**15**	**3**	**-**	**289**	**402**	**25**	**2**	**-**	**-**	**197**	**192**	**30**

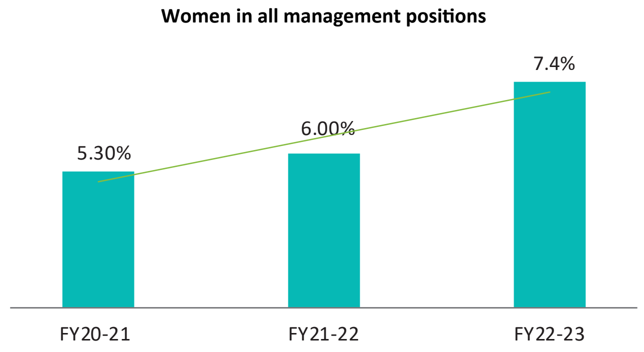
Outcome

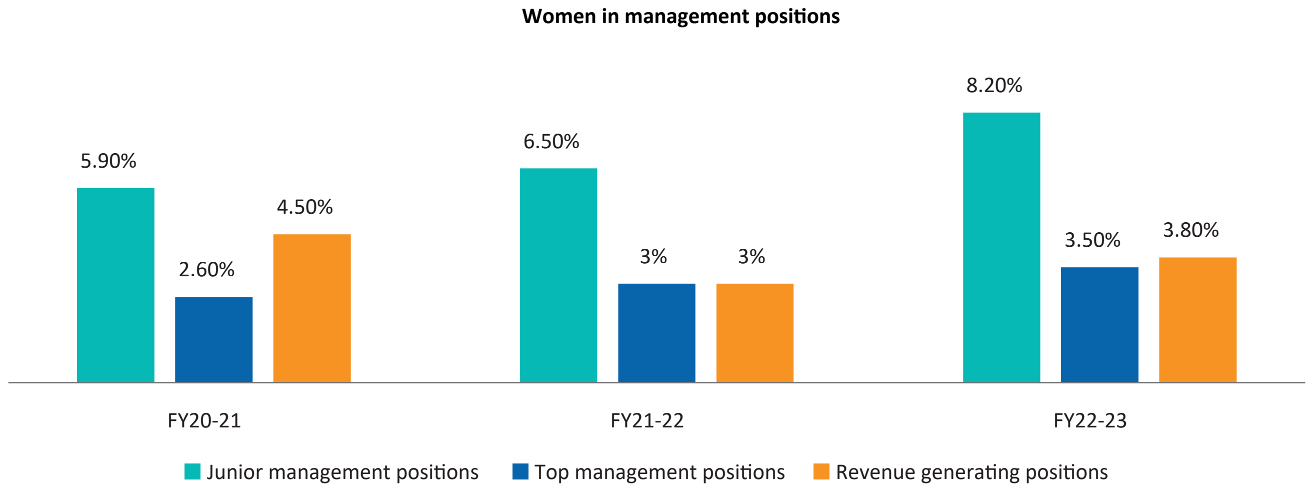
Human capital comprises valuable assets of knowledge and expertise within PI. Our employees, with their ideas, innovations, and process-focused mindset, are the driving force behind our growth. They bring forth a wealth of knowledge and contribute to the development and implementation of new ideas and strategies. Continuous investment in enhancing employees' capabilities, knowledge, health and wellbeing along with a focus on leadership development has resulted in consistently high return on human capital investment at PI. The expertise and dedication of our employees enables us to stay competitive and adapt to evolving market dynamics, ensuring sustained growth and success.

Parameter	FY23	FY22	FY21
HCROI	3.29	3.43	3.18

Further, as a responsible and employee-centric organization, we recognize the value of a diverse workforce and Company has been taking initiatives to increase women's participation in the workforce across levels and has recorded notable results.







Social and relationship capital

Growth pillar supported: Organic, Build

Impact on other capitals:

With over 75 years of experience, PI has expanded its reach to cater to customers in both domestic and international markets. Emphasizing a "Customer First" approach, we are dedicated to building a sustainable ecosystem through advanced technology, empowering channel partners to deliver exceptional value to producers with premium products. Our unwavering efforts enhance transparency and convenience, ensuring an unparalleled customer experience.

With focused meaningful engagement with all stakeholders across the value chain, the role of social and relationship capital in our growth strategy is critical. Focus areas identified as part of our growth strategy include strengthening brand loyalty, focusing on customer relationship management, strengthening the value chain through digitization, fostering strategic tie-ups, and enhancing the working relationship with global partners along with a focus on innovation, and the development of new formulations and formulation combinations.

We consider local communities and social groups an integral part of our stakeholder universe. We believe that we can achieve sustainable development by balancing our goals across economic, social, and environmental objectives and integrating them into routine business activities. Our commitment to Corporate Social Responsibility (CSR) runs deep, as reflected in our codified CSR implementation guidelines and the integration of a robust corporate CSR policy. We understand that responsible business practices extend beyond our operations, and we actively engage with local communities through longstanding community intervention programs.

As a responsible organization, our leadership has been active, contributing members of various industry bodies and chambers of commerce in India. We are also a signatory to the Responsible Care © initiative and therefore, committed to upholding its principles and values.

Inspired by Science

Key Material Issues	SDG Alignment	Key Highlights from FY23
Economic – Customer responsibility initiatives	2 ZERO HUNGER	**>79%** customer satisfaction score among B2B partners recorded in FY22
Social – Community support initiatives	4 QUALITY EDUCATION 5 GENDER EQUALITY 6 CLEAN WATER AND SANITATION 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES 15 LIFE ON LAND	**₹ 188.2** million spent on CSR programmes Outreach to **91,000+** beneficiaries treated in rural areas through Mobile Medical Van facility **13,200+** children reached with improved health and nutrition **73 children** treated for congenital heart defects **6,600+** farmers benefited from training on safe usage and spraying of agrochemicals **2,000+** chilli farmers benefited from integrated pest management intervention **2,900+** women reached from **206** SHGs with financial literacy and capacity building programmes **3,400+** women smallholders and workers in the dairy industry reached through capacity building initiatives **556** youth completed skill development training; **70%** received placement offers **15,400+** children covered as part of outreach to improve learning outcomes across grades **1-8** **347** hours volunteered by PI employees for a blood donation camp organized in Jambusar and Panoli **~30,000** trees planted by PI employees during a tree plantation drive conducted in Ankleshwar in March 2023

Input

Global customer network

Our strong network of we more than 10,000 channel partners and 25 stock points engage with a network of more than 80,000 retailers in the country. Besides our local footprint, our products are exported across 6 continents viz. Europe, North America, South America, Asia, Australia, and Africa, which includes nearly 38 countries and 4 global offices.

Added to this capability, will be our new research centre in Hyderabad, India. Our new integrated pharma research centre will focus on clinical research organization (CRO) and contract development and manufacturing organization (CDMO) offerings across the entire pharma value chain.

Further, through the twin acquisitions recently completed by our subsidiary PI Health Sciences Limited in the pharma space, we will be adding considerable R&D and manufacturing capabilities to our existing infrastructural set up.

Therachem Research Medilab LLC has manufacturing facilities in India and the United States. They will also bring with them their existing working relationships with marquee publicly listed US biotech and big pharma companies. Archimica SpA will be adding its experience in small molecule API manufacturing and CDMO servicing to PI's portfolio. They also work with over 60 clients in more than 30 countries.

Enhancing product competitiveness in the marketplace

We conduct extensive market research to understand customer needs and expectations through surveys, focus groups, and competitor analysis. Benchmarking along with regular reviews and customer feedback helps us identify areas of enhancement in our product portfolio. We manage cost competitiveness in the market by maintaining a comprehensive understanding of product cost structures and complement the same with continuous market analysis, customer-centric pricing strategies along with ongoing pricing optimization. This also helps us maintain profitability in a dynamic, ever-changing marketplace.

Employee engagement

We prioritize effective communication and employee engagement through townhall meetings, employee engagement surveys, and annual performance reviews. These channels enable proactive listening and address the needs of our employees. We also invest in talent development and benefits initiatives to support their growth and well-being.

Corporate citizenship

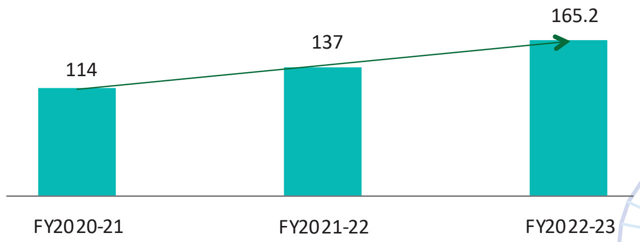
PI is an active member of the following industry bodies:

CII Confederation of Indian Industry	National Council on Agriculture
FICCI Federation of Indian Chambers of Commerce and Industry	ACFI Agro Chem Federation of India
BASAI Biological Agri Solutions Association of India	CropLife India
National Safety Council	ICC Indian Chemical Council

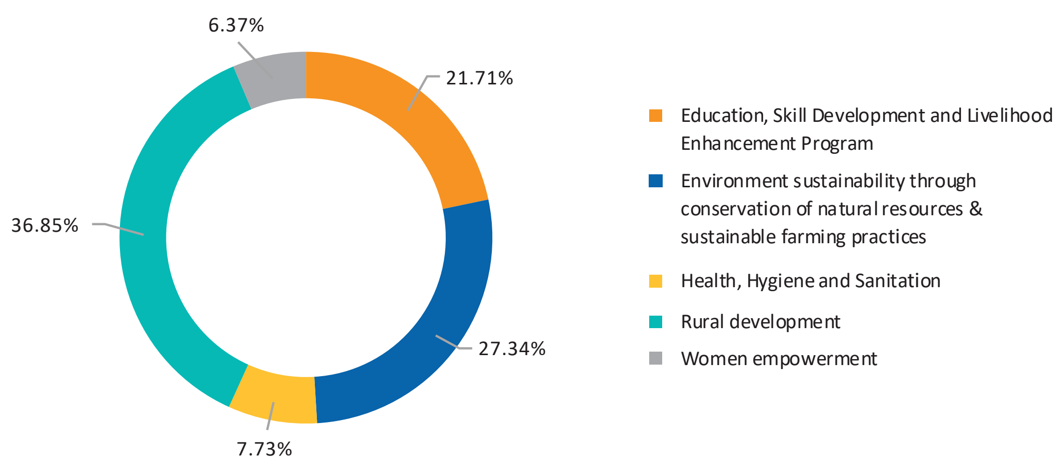
We engaged in policy-related dialogue on operations, communities, along with people in the agrochemicals industry and across the value chain. PI does not add to any political contributions and this is further corroborated by our financial disclosures published on the corporate website. The Company's anti-bribery and corruption policy can be found here: https://www.piindustries.com/investor-relations/co-go/Policies

In our pursuit of advancing social equity, our ongoing interventions across various thematic areas align with Schedule VII of the CSR Rules, implemented through our philanthropic arm, PI Foundation. Our CSR commitments have been represented below:

Allocated yearly budget for CSR (₹ million)



CSR funding distributed across thematic areas in FY 2023



CSR programmes being implemented

Farmer engagement programmes

Through collaborations and tie-ups with state agricultural universities, PI Foundation has been promoting sustainable agricultural practices among farmers.

Project Bandhan was initiated in 7 states to introduce & create awareness about PB Knot Technology in cotton crops for the management of Pink Boll-Worm through live demonstrations and training. The project was initiated to reduce the usage of pesticides and improve the yield of crops.

Through collaboration with Roots Foundation for Project Sahyog, the Foundation conducted awareness and training sessions for farmers in Punjab and Haryana for safe usage and effective application of agro-chemicals.

Under the project "Utkarsh Kiran Pahel," PI Foundation extended support to establish an agricultural demonstration project in collaboration with the District Administration in Bharuch, Gujarat. The project aims to address the challenges faced by farmers and promote innovative farming practices, with a specific focus on organic farming. Training sessions were conducted from April 2022 to March 2023, benefiting approximately 2,992 farmers.

Operation Nalla Tamara Purugu

PI Foundation, in collaboration with South Asia Biotechnology Centre (SABC), launched "Operation Nalla Tamara Purugu." This initiative focuses on raising awareness and conducting demonstrations on integrated pest management (IPM) and integrated nutrient management (INM) techniques. The primary objective is to effectively manage black thrips infestation in chilli clusters.

Skill Development & Vocational Training Program

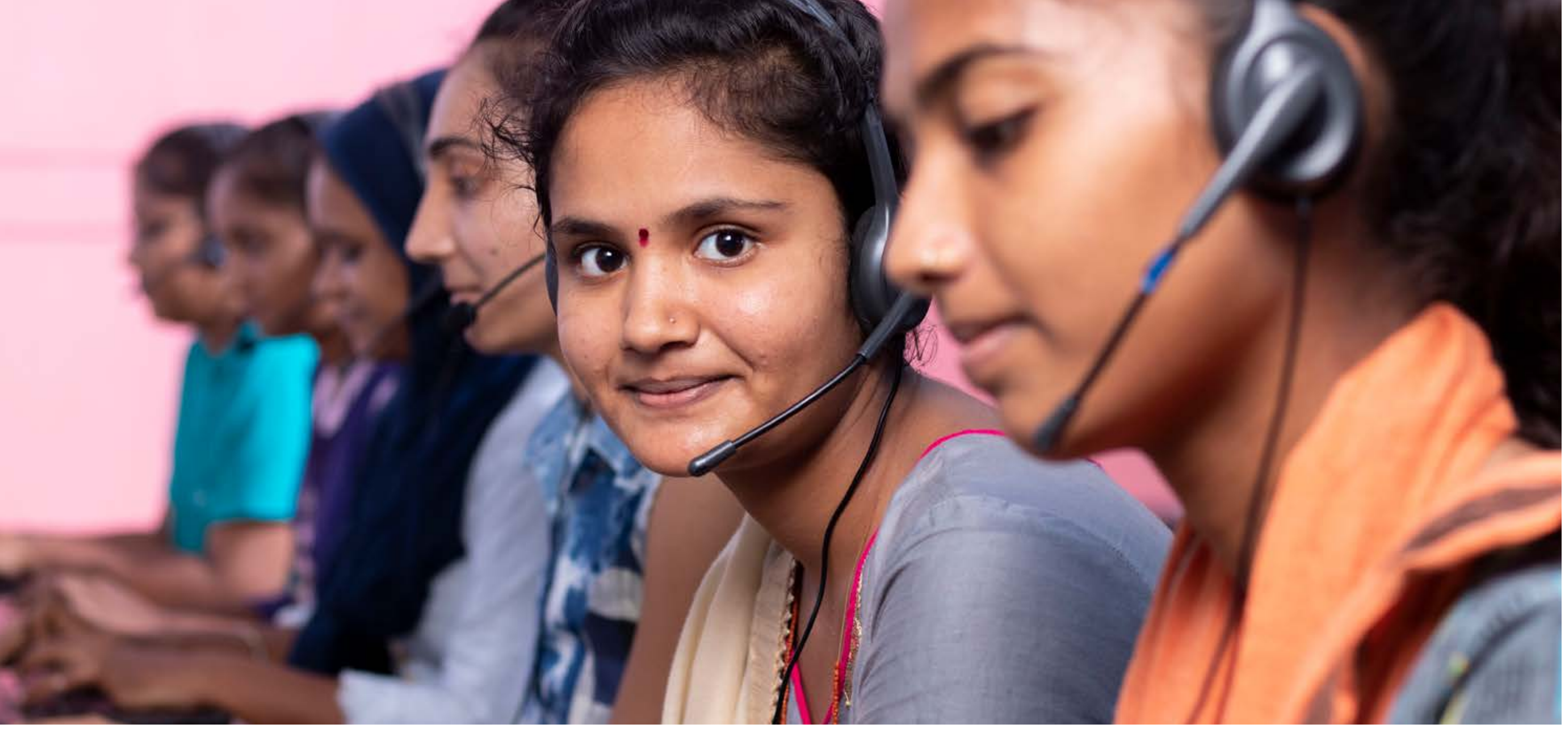
To promote gainful employment among marginalized and underprivileged youth, PI Foundation has partnered with several implementing agencies in different parts of the country to promote employment-oriented courses like BPO, Electrician , Advanced Excel, BFSI, vocational training in chemical plant operations. It has a partnership with SEDA, to provide vocational training program to the specially abled children in Udaipur. The short-term training programs also provide certification to the youth and empower them to pursue employment opportunities.

Green belt cover

This project was initiated with the objective of concentrated plantation in the industrial area of Gujarat Industrial Development Corporation (GIDC) to conserve biodiversity and the ecology of the environment. Various endangered & extinct species were planted across 58,000 sq. meters benefitting about 7,000 people in the surrounding areas.

Mobile Health Units for last mile delivery of primary health care services

The Swasthya Seva initiative was implemented to provide primary healthcare services free of cost through three Mobile Medical Units (MMU) in underserved habitations of Jambusar Taluka covering



64 villages. Low healthcare coverage per capita of the population, far flung Primary Healthcare Centres (PHCs) and Community Healthcare Centres (CHCs), and the high cost of commute and loss in daily wages are key issues identified through a third-party assessment.

Project Vriddhi

This project was implemented to promote health and nutrition by driving behavioural change among children and adolescents from vulnerable communities. PI Foundation, in collaboration with the Institute for Global Development (IGD), has been implementing Project Vriddhi to create an integrated model towards improved health & nutrition status of children and adolescents based on a continuing intensive care approach in Jambusar block of Bharuch district.

Improving the lives of children suffering from congenital heart defect

PI Foundation, in partnership with Aishwarya Trust in Chennai, is actively involved in the implementation of the ‘Saving Little Hearts’ program. This initiative focuses on providing treatment and care to children afflicted with congenital heart defects (CHD), a condition that affects 8 to 10 out of every 1,000 infants born in India and is a major contributor to infant mortality.

Building of toilets for households and schools under the Public Private Partnership (PPP) model

PI Foundation is an active participant in the Swachh Bharat Abhiyan of the Government of India. With a focus on promoting hygiene and sanitation among households and school children, especially among school-aged girls, PI Foundation has joined in a public-private-partnership model to build toilets for the marginalized communities around Ankleshwar and Jambusar, where PI Industries’ manufacturing units are located. This was also followed by a School Advocacy Program which aimed at creating awareness and sensitization among members of the School Development and Management Committee, students, teachers, and other stakeholders on the importance of sanitation, hygiene, and other do’s and don’ts in 12 schools in the locations surrounding our manufacturing plants.

School infrastructure development projects

PI Foundation supports school infrastructure development through initiatives like repairing buildings, providing notebooks, stationery, library books, math and science kits, and sports equipment to government-aided schools.

Improving Learning Outcomes in Government-run Elementary Schools

We recognize education as a key driver of the holistic development of citizens. PI Foundation has tied up with schools in Jambusar and other nearby areas to support interventions aimed at improving learning outcomes among enrolled students. In collaboration with Pratham Foundation, PI Foundation undertook various interventions to bridge the learning gaps among the children. The focus was on improving the foundational literacy & numeracy skills among the children and strengthening their scientific thinking of children.

Women empowerment program

Through engagement with women-led Self-Help Groups (SHGs), PI Foundation’s intervention has been focused on providing financial literacy, access to finance, resources, and opportunities as well as strengthening traditional livelihoods activities among women beneficiaries in Jambusar and Panoli in Bharuch district, in the state of Gujarat. The intervention has also eased access for women beneficiaries to appropriate government schemes.

Project ASMITA was launched by PI Foundation with Aatapi Foundation as implementing partner in 20 villages in Jambusar and Panoli. The project has promoted women’s empowerment through improved access to credit and livelihood initiatives by working with SHGs.

In another initiative implemented along with CARE India, PI Foundation led a women empowerment project for inclusive agriculture and improved access to the dairy value chain for Women Smallholders, and Workers (WSW) in 59 villages of Jambusar block. The program has provided various opportunities to women by easing access to finance, linkage with government schemes, improved income by efficient practices in agriculture and the dairy value chain, as well as through training to women for various income generation activities like jewelry making, candle making, paper bag making, etc.

Measures undertaken to strengthen social and relationship capital

PI Corporate Social Responsibility (CSR) strategy

To create social impact at the grassroots, our community intervention strategy is focused on helping the marginalized and underprivileged groups of pollution settle in and around the region where our manufacturing units are located. With a strong focus on accountability and long-term sustainability, we strategically fund interventions that not only address immediate basic needs but also fill gaps in social development machinery. As a living example of our visionary philosophy, we engage with the local community to promote sustainable agricultural practices and empower youth through farmer connect and skill development.

Comprehensive and responsible market outreach strategy

With a robust marketing and distribution infrastructure, we have a proven track record of building strong brands and delivering on our customer promise. Our marketing teams employ a comprehensive strategy to develop powerful brands and ensure high product recall value. Pre-launch efforts encompass creating awareness through large plot demonstrations, on-field training, testimonials, brand awareness campaigns, and teasers. The product launch combines trade and farmer doorstep events. Post-launch, we focus on extensive branding, promotions, channel support, demand generation activities, geographic and crop expansion, and product stewardship. In-person product training on key crops, collaboration with YouTubers for Awkira promotion, product display contest ‘Atoot Bandhan’ for channel engagement, ‘Count, Share & Win program on Cotton, Anmol Ansune Heere – a series of short stories for promotion of Awkira, and activations such as ‘Distruptor D-squad campaign’ & ‘Kharpatwaar Virodh Abhiyaan’ was well received by the farmers and the channel.

Leveraging digital media channels for all round engagement

Our marketing capability has been enhanced by the incorporation of a digital strategy to reach customers quickly and effectively. On March 14, 2023, we observed our product stewardship day. This spirit of stewardship was commemorated by organizing meetings at 274 locations across the country where more than 12,900 participants including farmers, channel partners, & 1,000+ members of the Academia-scientific community, including undergraduate and post graduate students as well as research scholars participated through virtual sessions. Farmers were made aware of the safe use of pesticides using a variety of communication channels, with an emphasis placed on the use of personal protective equipment.

New customer acquisition

At PI, we leverage robust demand generation activities and tailored crop solutions to engage with both existing and potential B2C customers. Our demand generation efforts encompass targeted product campaigns, field demonstration days, and farmer engagement initiatives, all reinforced by an extensive retailer network. In our B2B operations, we collaborate closely with partners to ensure alignment with our unique offerings. Additionally, we actively participate in joint product development during the early stages, fostering enduring relationships with our valued customers.

Customer relationship management

We focus on building trust, and integrity, ensuring transparency, promoting innovation, investing in intellectual property protection, and timely delivery to achieve customer delight. We are deeply invested in building a meaningful relationship with our customers. We take timely feedback and simultaneously work on our areas of improvement.

We have a loyalty program in place for our direct and indirect channel partners. We initiated Strategic Business Partner Meets to share our vision and growth strategy and work collaboratively on strengthening our relationship. Quality customer service delivered in this manner has helped us to significantly increase customer lifetime value.

Sustainable supply chain management

We organize capacity-building programmes annually for our supply chain partners. This includes training them on reducing social and environmental risks and improving performance against sustainability parameters. The outcome of these programmes is further verified through annual, and half-yearly audits, assessments, and meetings conducted by our purchase departments. The Supplier Code of Conduct (CoC) policy sets out the guidelines and expected standards for all supply chain partners.

“

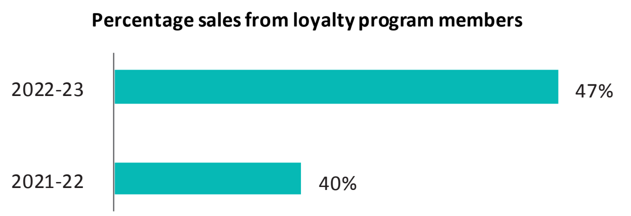
Through long standing partnerships among our B2B partners, we have achieved a customer satisfaction score higher than 75 percent in FY22.

Output

Some of our most prominent brands including NOMINEE GOLD, AWKIRA, ROKET, OSHEEN, DINOACE, BIOVITA, KEEFUN, and HUMESOL have a long association with the farming community and a high recall value among farmers. In FY22-23, we introduced five new products across segments, including “DISTRUPTOR”, “BROFREYA,” “SECTIN,” “PROVIDE” and “DINOACE” for Rice, Horticulture & the Cotton segment. The launch of Distruptor utilized a unique combination of farmer doorstep and trade launches, which earned it special acclaim from the target audience. Combining both above the line (ATL) and below the line (BTL) activities designed to resonate with the target audience. In the financial year FY23, Distruptor D-squad campaign, Awkira Campaign in the North, and the Brofreya- Drop of Change campaign in major horticulture markets were conducted.

Helping us achieve our stated objectives, we successfully screened all 30 suppliers onboarded in the past year for their performance against environment criteria.

As a result of market and customer outreach efforts, 47 percent of our sales this year have come from customer loyalty program members.



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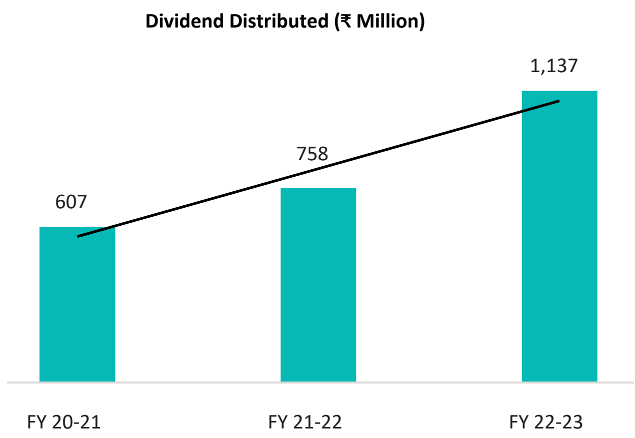
Total Shareholder Return of 244 percent with a CAGR of over 28 percent.

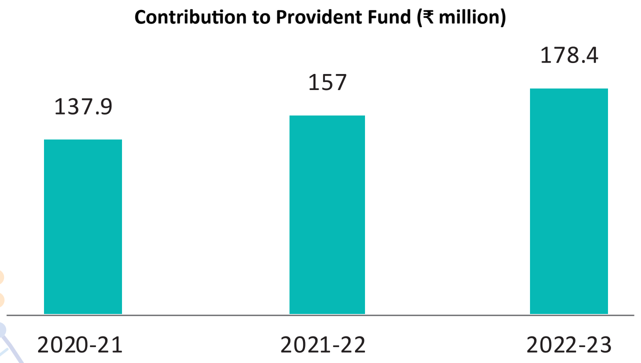
Customer satisfaction score

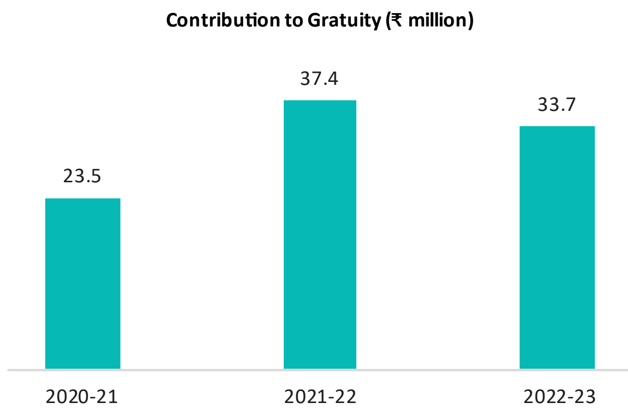
We administer customer feedback and satisfaction surveys among our customers to accurately measure the impact of our customer engagement initiatives. Through long standing partnerships among our B2B partners, we have achieved a customer satisfaction score higher than 75 percent in FY22..

Benefits distributed among employees and shareholders

PI has exhibited another year of strong financial performance. As a result, the organization has declared 67 percent higher dividends as compared to last year, to shareholders. Over the last five years, the organization has given a Total Shareholder Return of 244 percent with a CAGR of over 28 percent. The organization has also contributed significantly to provident funds and gratuity funds in the interest of its employees. Employee benefits beyond social security measures of provident fund and gratuity have been highlighted in the Human Capital section.







Outcome

On the responsible marketing front, our team is actively interacting with three million farmers on the ground, providing them with timely and effective advice to increase their yield and productivity. Our business partners are supported and equipped with cutting-edge business tools and seasoned personnel, enabling them to be a part of our outreach programmes. Led by our executives in the field, regular visits are conducted to the villages and farmers, where large group meetings are arranged, and training is provided on improved methods of agriculture.

Farmers Engagement Programme	
Farmers impacted	18,835
Total area brought under sustainable cultivation	13,178 acres

Swasthya Seva Initiative	
Mobile medical vans deployed	3
Villages covered	64
Beneficiaries treated	91,000+
Population covered	118,000
Lab tests conducted	25,000+

Annual meeting of SHGs as part of Project ASMITA

Project Vriddhi	
Healthcare and nutrition services	
Villages covered	16
Anganwadi centres reached	66
Children aged 0-6 years covered	2,208
Children with Severe Acute Malnutrition addressed	174
Children with Moderate Acute Malnutrition addressed	501
Mobile Nutrition Guidance Centre (MNGC)	
Schools covered	27
Children who attended sessions	7,316

To promote a sustainable supply chain, we set ourselves the ambitious target to cover 100 percent of our suppliers through a code of conduct embedded in the engagement contracts by the end of FY22. 30 new suppliers (100 percent) were screened on environmental criteria during the year.

PI Foundation has impacted the lives of more than 91,000 beneficiaries in the year FY23 alone.

Saving Little Hearts	
73 children in all were treated with congenital heart defects	
Children suffering from Ventricular Septal Defect	20
Children suffering from Atrial Septal Defect	11
Children suffering from Patent Ductus Arteriosus	18
Children suffering from ASD Closure Surgery	24

Project ASMITA	
Women-led SHGs reached	206
Total women reached	2,911
Villages covered	20 villages in Jambusar and Panoli
Total savings by SHGs	₹ 41 lacs
Members who obtained access to finance through various linkages thanks to the programme	341
Amount access in loans by SHG members	₹ 50 lacs
Amount access in loans by members of Joint liability groups	₹ 50 lacs

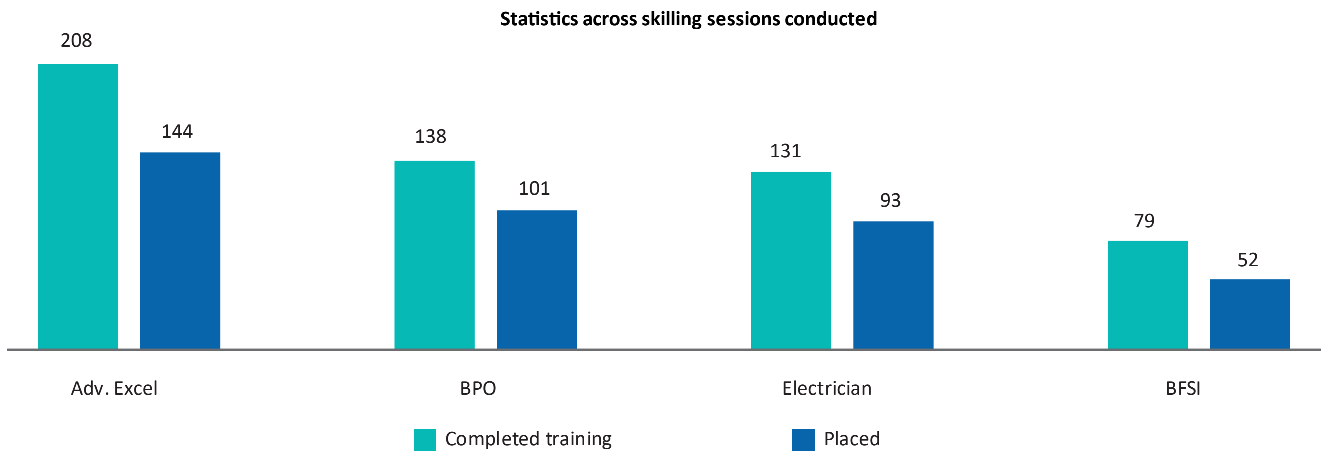
Project Sahyog: Income generation by Boom Sprayer (Tractor Mounted Sprayer - TMS)	
Estimated average rent of TMS per acre	₹ 300
Total revenue generated by renting 44 TMS in the season	₹ 1,839,000

Operation Nalla Tamara Purugu	
Chilli farmers reached	2,000+
Multicolour sticky straps distributed to farmers	3,300
Safety kits distributed	700
Land covered through drone-based spray demonstrations	54 acres
Trainings conducted	9

Inclusive agriculture and dairy value chain	
Villages covered in Jambusar block, Bharuch district	59 villages
Women smallholders engaged	3,427
Women-led SHGs engaged	300
Total cash credit secured by the SHGs	₹ 32 lacs
Amount secured in the revolving fund	₹ 3.02 lacs
Amount received by 2 SHGs through Community Investment Fund	₹ 30 lacs

Women trained across various courses

Employment-linked skill development	
Youth enrolled	556
Youth who successfully completed the training program	556
Number of youths placed	390



Education support initiatives in 135 schools in 82 villages in Jambusar, Bharuch		
Activities	**Outreach**	**Impact**
Oral skills and number recognition in Classes 1 to 2	1,854 children reached	• 11% can read • 13% can recognise 2 digits • 16 percent perform addition/subtraction
Basic learning covering phonological awareness, storytelling, and foundational maths in Classes 3 to 5	2,745 children reached	• 46% can read stories • 51% can read 3-digit numbers • 50% solve arithmetic problems
Strengthening foundational arithmetic and advanced competencies in Classes 6 to 8	1,527 children reached	• >70% can read & answer questions • >65% can solve arithmetic problems
Science workshops on solar, magnet, water, air for Classes 6 to 8	3,407 children reached	• 47% were able to clear the science test • 5% can perform practical experiments using magnets and the microscope
Science fairs to instil the practice of 'Learning by Doing' using models & tools to demonstrate principles in science for Classes 6 to 8	2,230 children participated 7,700 children visited the fairs	N/A
Community library created for Classes 3 to 7	2,700 children benefited	N/A

Implementation of the Swasthya Seva Initiative - Provision of no cost primary healthcare services, through three Mobile Medical Units (MMU) covering 64 villages in underserved habitations of Jambusar Taluka

Natural Capital

Growth pillar supported:	Build, IP

Impact on other capitals:

Harnessing responsible growth, we nurture our natural capital to cultivate a sustainable future, preserving the invaluable resources that shape our planet. Operating in an industry highly regulated to minimize pollution, we have considered our use of natural resources in the form of input and the consequent impact of our business operations and activities on the natural environment. We have internalized the philosophy of pursuing economic performance and growth in a way that is sustainable, equitable, and beneficial for all stakeholders of society.

Key Material Issues	*SDG Alignment*	*Key Highlights from FY23*
Environment – Climate change	13 Climate Action	**17%** reduction in intensity from carbon emissions from FY22
Environment – Biodiversity and ecological conservation	15 Life on Land	Developed **15** acres of green belt by converting barren land into farmland
Environment – Emissions control	9 Industry, Innovation and Infrastructure	Captive Solar Power Project with an impressive capacity of **637 KWp**. This cutting-edge venture spans across two strategically chosen sites, to power our operations and forge a greener future.

Key Material Issues	*SDG Alignment*	*Key Highlights from FY23*
Environment – Energy management	7 Affordable and Clean Energy	Contribution of **4.83%** from renewable energy to total electricity consumption
Environment – Soil Health	15 Life on Land; 2 Zero Hunger	Nearly **80%** increase from FY22 in hazardous waste recycled
Environment – Waste management	11 Sustainable Cities and Communities	**9%** reduction from FY22 in hazardous waste disposed off through incineration, landfilling and co-processing
Environment – Water management	12 Responsible Consumption and Production; 6 Clean Water and Sanitation	**12%** from FY22 in quantity of water consumed per metric tonne of production

Input

At PI Industries, we perceive natural capital as more than just an input. We acknowledge the pivotal role our environment and ecosystems play in fostering industry growth. Committed to honoring Earth's resources, we consistently make choices that respect its natural limits and boundaries. Through a sustainability-driven approach, we actively embrace circularity in production and fortify climate change resilience across our entire value chain. We constantly track our use of and our impact on available natural resources such as freshwater and soil health. Further, as part of our greenhouse gas inventory, we actively track and monitor our Scope I and Scope II emissions.

Key environmental metrics for FY23

248,062.54 MWh Total fuel consumption in manufacturing	**151,178 MWh** Total electricity consumption
19,119 KL Total ground water consumption	**927,114 KL** Total freshwater consumption
65,694.74 tCO_2 Total Scope I emissions	**106,784.57 tCO_2** Total Scope II emissions
NOx: 46.6 MT **SOx: 51.3 MT** Air emissions (other than GHG emissions)	**11,861 MT** Hazardous waste recycled **49 MT** Particulate Matter (PM)

Our approach to strengthening natural capital

Extended producer responsibility/product stewardship

As a Responsible Care organization, we prioritize the avoidance of hazardous and toxic chemicals in our products. Through our 'Product Lifecycle Approach,' we thoroughly evaluate the impact of our products at every stage, from development to disposal. We have recently completed a successful life cycle assessment (LCA) for one of our products. In our continuous efforts to make safer products, we have introduced water-based rice herbicides "Bis-pyribac sodium" – a suspension concentrates (SC) formulation in place of fossil fuel-based rice herbicide Glyphosate thereby eliminating the consumption of solvents.

We have achieved reduction in the surfactant quantity by 4 percent by using generic surfactant. PI brought in a new generation insecticide "TOLFENPYRAD EC" to replace the existing hazardous product like Ethion 50 percent EC. We have also worked on development of new products without solvents such as Dinoace and Distruptor which have been gaining traction in the market.

Newly launched crop protection products such as Brofreya, PB rope L, Awkira etc. will help farmers improve the farming productivity, reduce water consumption and labour use. These products are also less toxic for the farmer, have superior quality and longer shelf life.

Chemical products that are supplied to the institutional customers are also produced through ecologically friendly processes, resulting in reduced GHG emissions and water consumption. They also carry much higher purity allowing our customers to achieve more efficiency in formulation, less wastage and higher yield.

Water stewardship

We are continuously working on the reduction of freshwater consumption through various initiatives being undertaken every year. In a comprehensive risk assessment conducted in 2022, we identified material risks related to water security and climate change. With the expansion into high growth application areas and the health sciences, PI recognizes the impact it has on available water resources that are a shared resource for the local communities and natural ecosystem. We systematically track freshwater usage patterns across all our manufacturing and R&D sites. Being a Responsible Care® organization, we are committed to reducing freshwater consumption across our value chain. This is reflected in our approach to water management in production as well as through our water stewardship initiatives.

We are committed to reducing our specific freshwater consumption by 25 percent considering the baseline year of FY21 by 2025. Due to the strong relationship between water withdrawal, consumption, and discharge, initiatives have been undertaken across the value chain to ensure optimal water management.

In the year under consideration, we installed a rainwater harvesting system at our R&D facility in Udaipur.

At our manufacturing sites, we actively replace dematerialization (DM) water with raw water in the process, wherever feasible. Moreover, our cooling towers were also modified to reduce the losses.

At PI Jambusar we have installed 2-stage RO system with a capacity of 650 KLD at the Effluent Treatment Plant (ETP) outlet to recycle more than 90 percent of feed to RO.

Waste management

We scientifically undertake waste management by segregation of waste as per its characteristics at the source. In line with principles of Responsible Care, the use of hazardous and toxic chemicals in products is discouraged. At PI, we believe "what gets measured gets managed." To this end, we have adopted the philosophy of calculating the E-factor at the research and development stage for all molecules based on waste generation.

Further, hazardous and non-hazardous waste is segregated for proper disposal. Low COD/Low TDS wastewater streams are treated in Effluent Treatment Plant. High COD/high TDS wastewater streams are treated in an in-house Multiple Effect Evaporator

(MEE) along with Common-approved MEE facilities outside. Incinerable waste (solid and liquid) is sent for disposal to common incinerator facilities (TSDF) and to cement industries for co-processing.

Efficient energy management

We are committed to increasing renewable energy usage to 20 percent in our overall energy mix. We have taken several measures towards efficient energy management at our facilities. We also actively monitor and review our energy consumption to further streamline our processes and build a roadmap for reducing emissions intensity by 2025.

We introduced a captive solar power project of capacity 637 KWp at two sites. Further, we have also initiated the change of fuel from Light Diesel Oil (LDO) to Liquified Natural Gas (LNG) – a low-carbon fuel – at our manufacturing facility in Jambusar. This project will be commissioned in FY24.

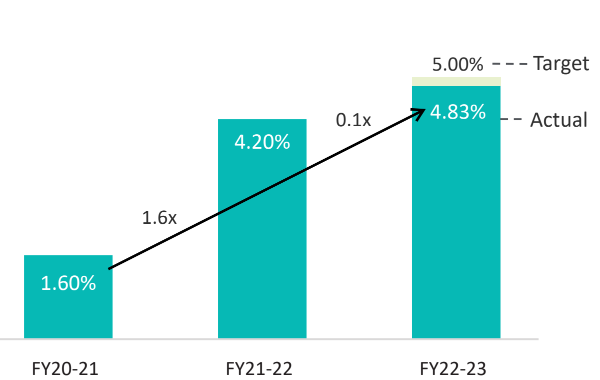
We are also working towards the initiation of a project to increase renewable energy contribution through open access purchase of hybrid power at the Panoli manufacturing facilities.

Protecting biodiversity

As a leading agrochemicals Company, we are aware of our responsibility to contribute to food security and foster sustainable agricultural practices. The pressing challenge of climate-related disasters has led to a reduction in arable land, intensifying the urgency to produce more with limited resources. For the past 10 years, PI Industries has led water conservation initiatives through the promotion of sustainable agricultural technology. Our program to promote Direct Seeded Rice (DSR) technique found large-scale success in rice growing regions in India. We partnered with the CARE group to convert barren land in several villages in Bharuch district, in Gujarat into a green area; partnered with REWA Aranya to increase forest cover on 16,106 sq. m of an area with the help of local bodies and the forest department, to restore biodiversity; supported the state government of Gujarat to rejuvenate fresh water ponds in villages; and have also led with product innovation to launch herbicides such as Humesol, PB Knot, etc which help to increase soil fertility without killing unwanted species of plants.

Output

Over the years, we have successfully managed to reduce our environmental footprint. We have achieved the utilization of 100 percent recycled paper-based packaging material by encouraging the replacement of plastic labels with paper labels on products. Further, we have increased our use of renewable energy this year. This has resulted in a decrease in our Scope 2 emissions by almost 5 percent. We aim to continue our journey to increase our dependence on renewable energy through captive renewable energy and new partnerships.



> We have achieved the utilization of 100 percent recycled paper-based packaging material by encouraging the replacement of plastic labels

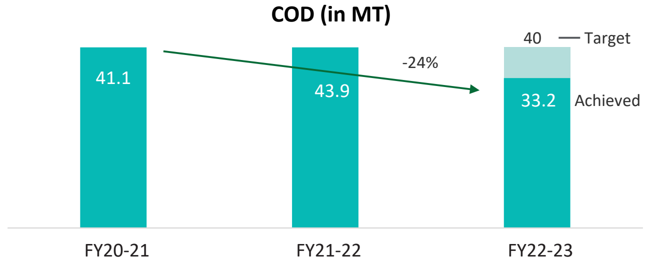
Renewable energy as a portion of the total electricity source has increased to 4.83 percent in the current cycle as compared to 4.2 percent last year. This is due to the installation of a rooftop solar plant at our Udaipur facility and by sourcing renewable energy wherever possible.

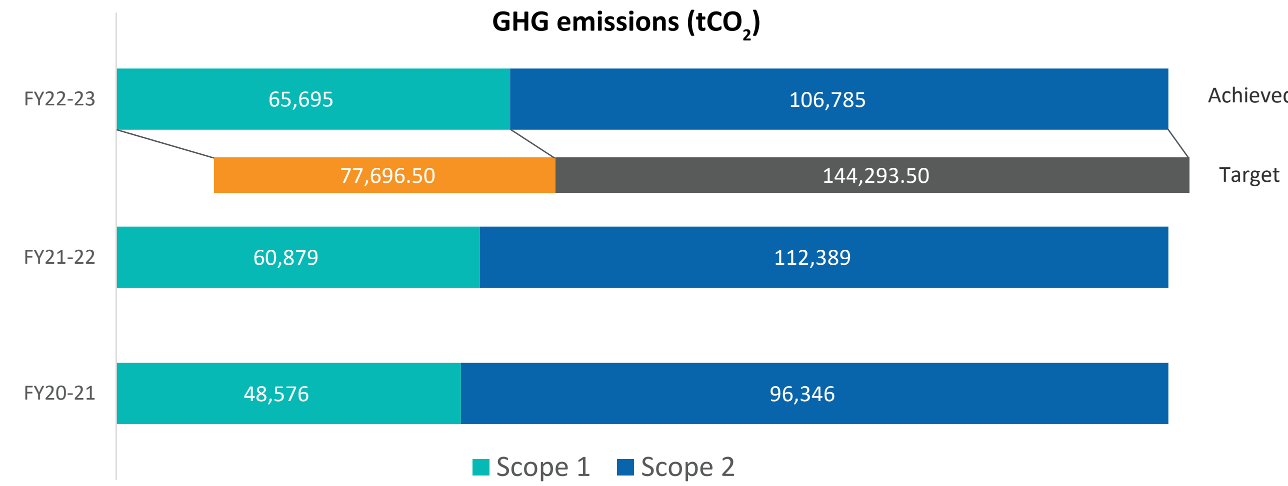
Scope I and Scope II emissions

While our Scope 1 emissions have risen by more than 7 percent, our production has increased by almost 20 percent. This increased efficiency has been observed because of our switch to a cleaner fuel.

Our Nitrogen Oxides (NOx) emissions almost halved this year, and we observed a decrease in the Sulphur Oxides (SOx) emissions. This is primarily due to a change in the scrubbing solution cycle and an improvement in operational controls. We aim to further reduce our SOx, NOx, and particulate matter (PM) emissions in the future.

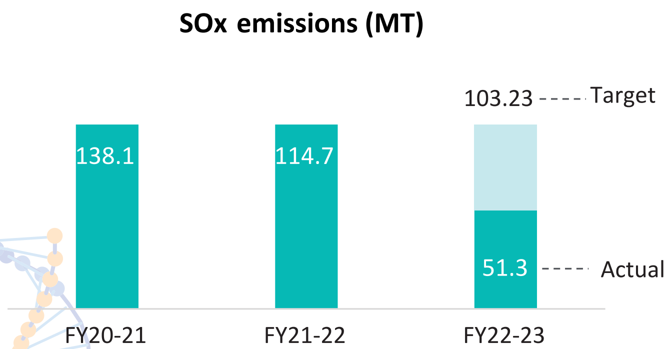
Our total water consumption in absolute terms increased by 5 percent this year as a result of a 20 percent increase in production. We have taken steps to increase our efficiency through the installation of RO plants at manufacturing sites. We also treat all effluents discharge and monitor COD levels.

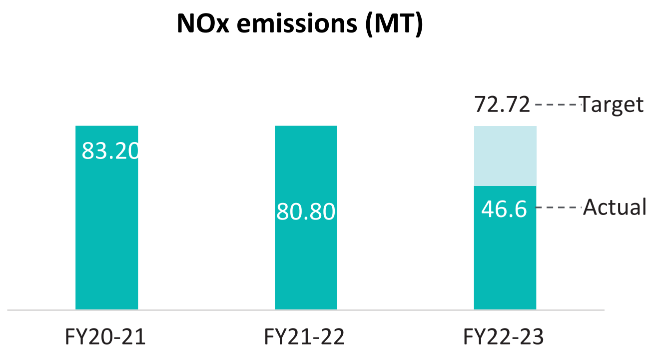




Updated scope from FY22; detailed GHG calculation methodology shared as annexure

Other air emissions





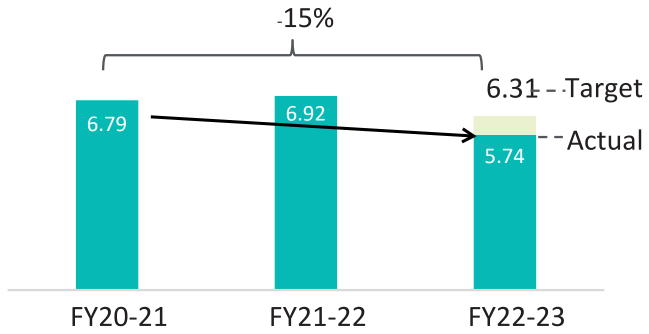
Outcome

To support our sustainability integration across the value chain, we have undergone rigorous assessments by top sustainability ratings agencies. Our commendable performance has resulted in significant advancements in our rankings, affirming our unwavering commitment to driving sustainable practices. In FY23, we achieved an improved ranking in the 93rd percentile in S&P Global's Corporate Sustainability Assessment (CSA) and retained the EcoVadis Gold medal in sustainability achievement with a 97th percentile ranking. Aligned with our theme this year of responsible growth for a better tomorrow, our sustainability initiatives have created an impact with multiple-fold benefits for not just our business but the natural ecosystem and communities that we are a part of.

We are pleased to announce significant progress in reducing our carbon emissions intensity. Through the integration of advanced environmental management capabilities and technology-driven process efficiencies, we have surpassed our targets for emissions intensity reduction. Furthermore, we have successfully reduced our specific freshwater consumption, demonstrating our commitment to sustainable resource management.

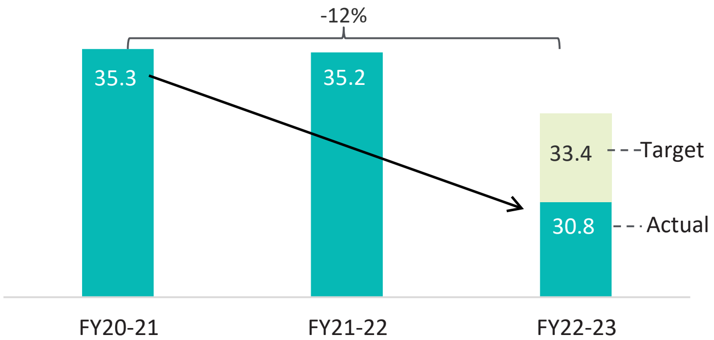
With an increase in total production and the types of formulations from our institutional customers, we have also started working on exploring new partnerships for the proper handling and management of waste generated.

Specific CO_2 emissions in MT



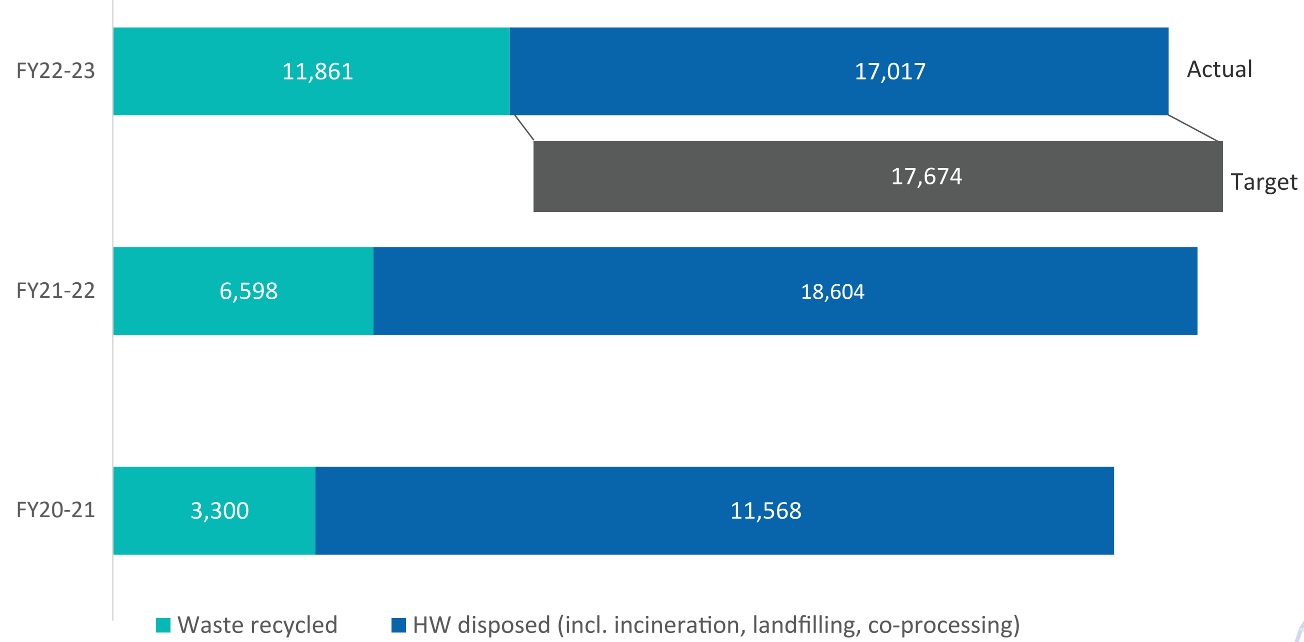
Updated scope from FY22; detailed GHG calculation methodology shared as annexure

Specific freshwater consumption (KL/MT)

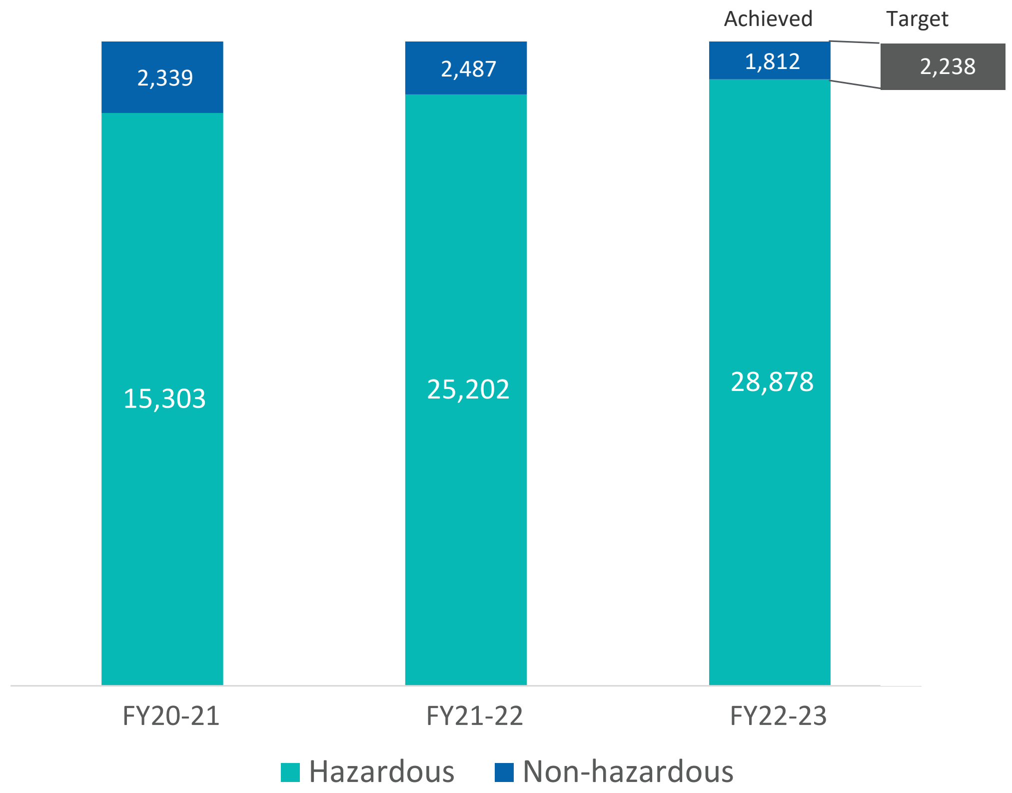


Updated scope from FY22; detailed GHG calculation methodology shared as annexure

Hazardous Waste Management



Hazardous and non-hazardous waste disposed (metric tonnes)



Commitments for a sustainable future

By 2025, PI Industries aims to increase the share of renewable energy in its total energy mix, reduce carbon emissions intensity by 25 percent and reduce the quantity of water utilized per metric tonne of production. Additionally, we have created approximately 15 acres of lush green cover through extensive tree plantation efforts, with a particular emphasis on endangered species of trees.

Mindful of our pivotal role in shaping a brighter future for the farming community, we remain determined in our commitment to commercializing 4-5 new products annually. With a robust R&D pipeline and an unwavering dedication to product stewardship initiatives, we diligently strive to deliver innovative solutions that empower sustainable agricultural practices.

09. Risk and Opportunities

Risk factors affecting continued availability, quality, and affordability of core resources and relationships (capitals) which are essential to long-term value creation.

Approach to risk management

Embracing responsible growth today, we meticulously integrate risk management practices into our operations, ensuring a sustainable and secure future for our Company and the communities we serve. We take a risk-based approach to business continuity planning and strategy formulation. We continuously assess major risks that could impact our value creation capabilities, with a Board Committee as well as a management-level oversight function in place. PI Industries adopts a strategic approach to risk management, utilizing the results of our materiality assessment as a guide. Through a robust monitoring and review process, we vigilantly track global market trends and internal operations, enabling us to identify risks, evaluate their impact on our business, and implement cost-effective mitigation strategies.

Building resilience through effective risk management

The Board-constituted Committee and the Chief Risk Officer together ensure the effective rollout and implementation of the risk management process within the organization. The Risk Management Committee is provided with continuous, risk-specific training to equip them to assess various forms of risks and to inform them about the latest risk management practices.

Through a comprehensive Enterprise Risk Management (ERM) process we have established a structure to identify, manage and monitor risks periodically. All businesses, new projects, and related activities go through a detailed feasibility study by internal or external teams to assess the associated risks. Departmental teams are also tasked with the responsibility of maintaining risk registers. The teams are also trained annually on the identification of data for meaningful analysis, and action planning while taking into account deep insight into risk management, due processes, and the leading and lagging indicators. The Risk Management Committee meets twice a year. Further, discussions between the Risk Management Committee and the Chief Risk Officer take place every quarter so that the Board Committee can provide effective guidance and direction to risk management strategy and process. The risk management process is further codified in the risk management policy published on the organization's website. The Company's risk management policy is also available at https://www.piindustries.com/Media/Documents/Risk%20Management%20Policy_

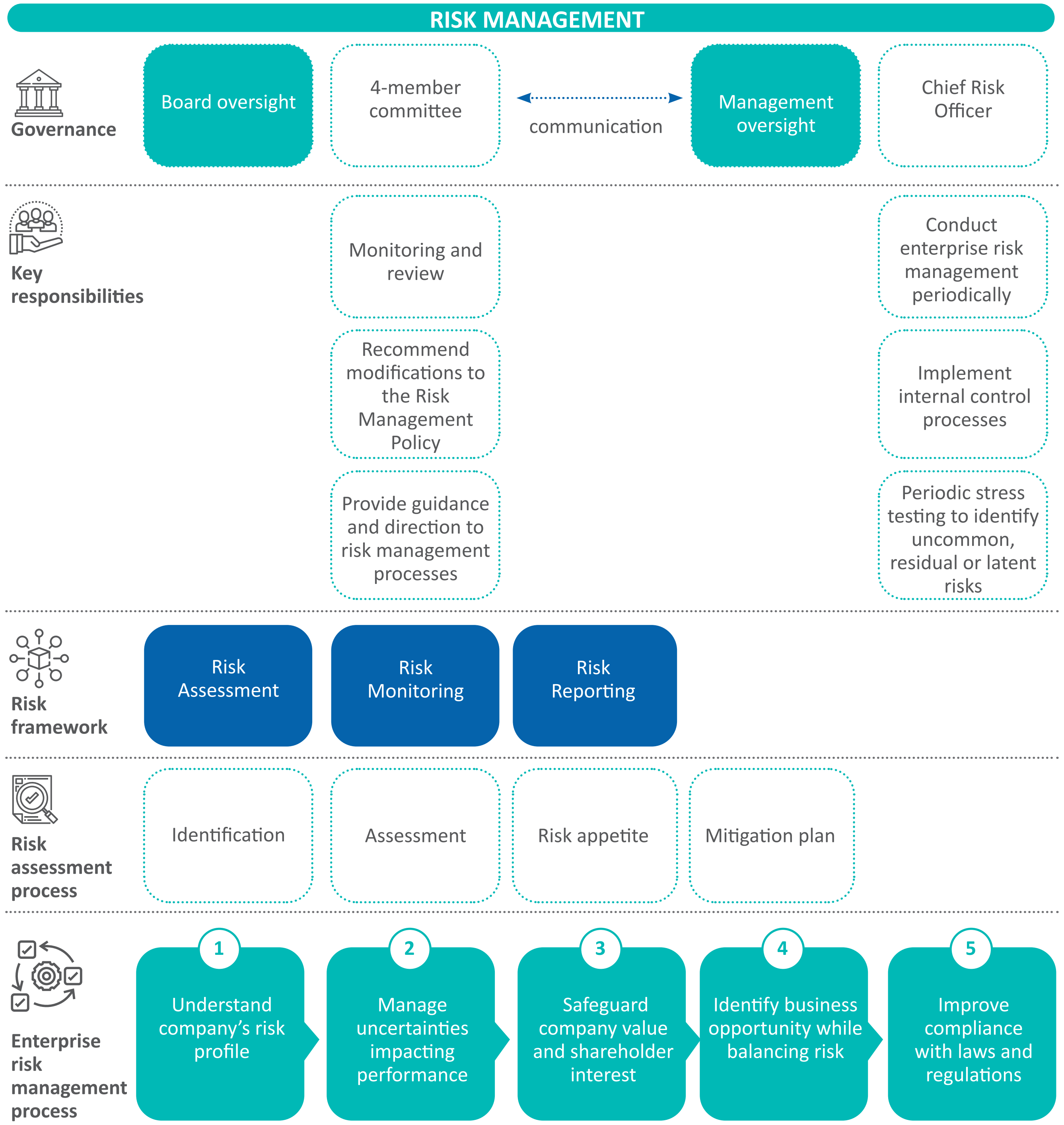
Highlights:

In the year under consideration, we also conducted a comprehensive workshop on 'risk identification' with members of the Board, business leaders, and key functional heads. A list of key risks called the 'Risks That Matter (RTMs)' have been identified.

Risks have been categorized as external, internal, and residual depending on whether they emerged from events outside of the organization's control, from within the organization and those that remain after controls are accounted for. We have further identified risks as strategic, compliance and governance-related, financial, IT-related, and operational.

Monthly BU-level risk reporting and quarterly reviews with the Risk Management Committee was conducted.

Risk management at PI Industries Limited



Mitigating risks and evaluating business opportunities

Key risks	Business environment impacted	Timeframe for impact	Opportunity	Related material issue identified	Change from 2021-22	Capital impacted
Raw materials and waste	Internal and external	Medium term	• Optimizing the use of virgin materials • Applying circular economy principles to improve yield of intermediate products and to reduce waste	Materials Waste management	No change	
Product use	Internal and external	Short term, Medium term	• Phasing out particularly harmful ingredients with less dangerous substitutes • Increasing share of bio-based products in the product portfolio	Risk management Customer responsibility initiatives	No change	
Employee health and safety	Internal	Short term	• Improvement in employer ratings	Occupational Health and Safety	No change	
Non-compliance with environment, health, safety, and labour laws	Internal and external	Short term	• Compliance leading to improved credit ratings for the organization	Regulatory compliance	No change	
Energy usage and GHG emissions	Internal and external	Short term	• Tying in eco-efficiency with cost efficiency to improve business outputs and outcomes	Emissions control Operations excellence	No change	
Agricultural productivity	External	Medium term	• Product innovation to improve crop yield • Promote efficient use of crop protection products	Product innovation and responsibility	No change	
Water stress	Internal and external	Medium term	• Water stewardship	Water Local communities Total quality management system	No change	
Land cover depletion resulting in shrinking arable land	External	Medium term	• Product innovation to improve crop yield • Protecting soil health • Promote efficient use of crop protection products	Product innovation and responsibility	No change	
Policy risks	Internal and external	Short term	• Climate-change related reforms in the agribusiness and related sectors has ensured that sustainability at PI Industries, has been driving product innovation and cost effectiveness	Risk management	No change	

Short term Medium term Long term

No new risks have been identified since the last risk exercise conducted in FY22. Severity of risks is regularly reviewed and monitored through half yearly meetings conducted with the Board Risk Management Committee.

Annexures

Management Discussion and Analysis - PI Industries FY 2022-23

Economic Overview

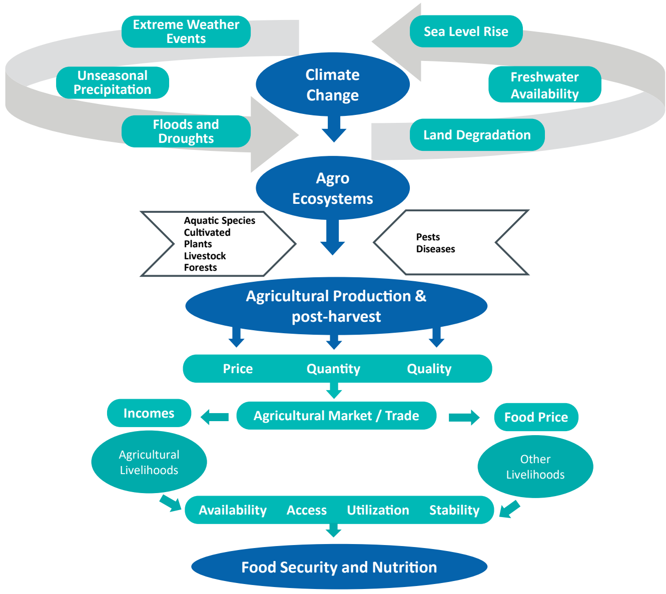
Global Economic Outlook

Global economic activity is experiencing a widespread slowdown and high inflation, fueled by factors such as the cost-of-living crisis, tightening financial conditions, the Russia-Ukraine conflict, and the lingering effects of the COVID-19 pandemic. The International Monetary Fund (IMF) is predicting a decline in global growth from 3.4 percent in 2022 to 2.8 percent in 2023.[1] However, China's reopening under the 'Zero-COVID' policy offered hope for a faster recovery. Inflation is projected to decrease to 6.6 percent in 2023 and 4.3 percent in 2024, yet it is expected to remain above pre-pandemic levels.[2] These challenges have led to significant erosion of median income levels due to inflation, currency depreciation, and underinvestment in the public and private sectors.

The Russia-Ukraine conflict has precipitated a costly humanitarian crisis that needs a peaceful resolution. It has also resulted in economic damage and supply chain disruptions, leading to rapid increases in fuel and food prices. Vulnerable populations in low-income countries have been hit hardest, experiencing eroded purchasing power and heightened price pressures. Inflation in many nations is pushing real wage growth into negative territory due to war-induced commodity price hikes and broader price pressures. The World Inequality Report highlights the stark wealth disparity, with the wealthiest 10 percent owning 76 percent of the world's wealth, while the poorest 50 percent own only about 2 percent.[3] With the Cost-of-Living crisis being ranked as a severe global risk for the next two years,[4] global central banks are aiming to restore price stability through monetary policy, while governments are implementing fiscal policies to alleviate cost-of-living pressures while maintaining a tight stance consistent with monetary policy objectives. By increasing productivity and easing supply constraints, structural reforms can bolster the fight against inflation, while multilateral cooperation is essential for preventing economic fragmentation by maintaining global liquidity and managing debt distress.

Climate change is a global priority, with the World Economic Forum's Global Risks Report identifying climate action failure as the most consequential long-term risk facing the world over the next ten years.[5] Inaction in addressing climate change poses significant long-term risks, including increased extreme weather events, biodiversity loss, and infrastructure degradation. Mitigation and adaptation measures are essential, involving the reduction of greenhouse gas emissions and the preparation for and adaptation to unavoidable impacts. However, the world is currently deviating from the goal of limiting global warming to 1.5°C by 2030, as outlined in the Paris Climate Accords and reaffirmed in COP27.[6] Uncontrolled warming and its ecological consequences directly impact global economic growth. A rise of 3.2°C by 2050 could result in an economic loss of up to 18 percent of global GDP.[7] The sustained warming trend contributes to adverse climate events such as heatwaves, irregular rainfall, droughts, and El Nino, which in turn negatively affect agricultural output and exacerbate global food security concerns. For instance, in India, volatile food prices have been witnessed due to erratic monsoon rains. Overall, immediate attention is required to address climate change, its systemic risks, and its implications for the environment, society, and the global economy.

Given here, is a schematic representation of the cascading effects of climate change impacts on food security and nutrition.[8]



In an era marked by climate change, geopolitical uncertainties, food security issues, and inflationary pressures, the global economy faces challenging times. Amidst this backdrop, businesses and households must acknowledge the need for preparedness and exercise caution while navigating the unpredictable environment.

Indian Economic Outlook

India faced negative repercussions from the headwinds affecting the global economic climate – the Russia-Ukraine conflict, rising global interest rates, and sluggish growth in key trading and export partners. India experienced an annual growth rate of 9.7 percent in the first half of FY23 due to robust private consumption and fixed investment growth.[9] India's growth is anticipated to decelerate from 8.7 percent in 2021 to 6.9 percent in 2022, before resuming its potential rate of just above 6.5 percent in 2023.[10] The low-base

[1] *International Monetary Fund's World Economic Outlook April 2023 - https://www.imf.org/en/Publications/WEO/Issues/2023/04/11/world-economic-outlook-april-2023*

[2] *OECD's Economic Outlook for June 2023 - https://www.oecd.org/economic-outlook/june-2023/*

[3] *World Inequality Report 2022 - https://wir2022.wid.world/executive-summary/*

[4] *World Economic Forum – Global Risks Report 2023 - https://www3.weforum.org/docs/WEF_Global_Risks_Report_2023.pdf*

[5] *World Economic Forum – Global Risks Report 2023 - https://www3.weforum.org/docs/WEF_Global_Risks_Report_2023.pdf*

[6] *United Nations Climate Change – Key Takeaways from COP27 https://unfccc.int/maintaining-a-clear-intention-to-keep-15degc-within-reach*

[7] *World Economic Forum https://www.weforum.org/agenda/2021/06/impact-climate-change-global-gdp/*

[8] *Food and Agriculture Organization of the United Nations - https://www.fao.org/3/i5188e/I5188E.pdf*

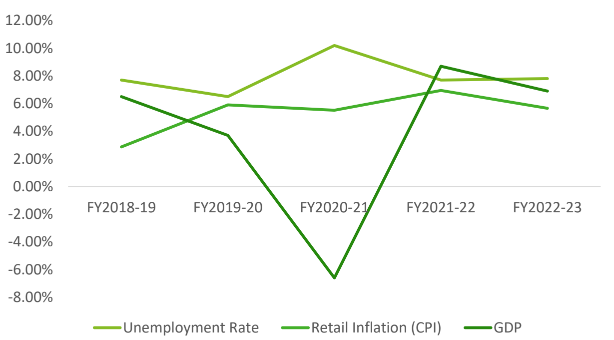
[9] *World Bank Group – Global Economic Prospects January 2023 - https://openknowledge.worldbank.org/server/api/core/bitstreams/254aba87-dfeb-5b5c-b00a-727d04ade275/content*

[10] *World Bank Group – Global Economic Prospects January 2023 - https://openknowledge.worldbank.org/server/api/core/bitstreams/254aba87-dfeb-5b5c-b00a-727d04ade275/content*

effect for the previous year along with slower consumption growth and difficult external conditions are expected to restrain economic expansion. As a result of the withdrawal of pandemic-related fiscal support measures, private consumption is projected to increase at a slower rate. Export and investment expansion will be hampered by the global economy's slowdown and rising uncertainty. However, increased government spending on infrastructure and various business facilitation measures should attract private investment and support the expansion of manufacturing capacity. India is anticipated to have the fastest economic growth among the seven largest emerging markets and developing economies (EMDEs).

Between May and December of last year, the policy rate was increased by 2.25 percentage points because of consumer inflation exceeding the Reserve Bank's upper tolerance limit of 6 percent. Deficits for crude petroleum and petroleum products ($7.6 billion) and other commodities (such as ores and minerals at $4.2 billion) are responsible for the increase.[11] Retail inflation, as measured by the Consumer Price Index (CPI), decreased to 5.66 percent in March 2023, compared to 6.95 percent a year earlier in March 2022.[12] Similarly, Wholesale Price Index (WPI) inflation data, which calculates the overall prices of goods before they are sold at retail, is projected to decrease to 1.34 percent from 14.63 percent during the period.[13] The unemployment rate, which reached 7.8 percent in March 2023[14], is anticipated to decline because of an increase in government capital expenditure targets and investments in infrastructure and manufacturing.

[15]



Although global food price inflation appears to have slowed, the risks of increased deprivation and inadequate nutrition remain high. High fertilizer and petroleum prices, being critical inputs, are likely to have an impact on upcoming planting seasons, prolonging the high food prices and threatening the ability of households to handle the price rise by depleting savings. In FY23, India imposed export restrictions on rice, wheat, and sugar, among others. In the Indian context, it is anticipated that the measures of monetary and fiscal tightening will be comparatively milder over the forecast period, setting it apart from other countries in the region. This is primarily due to the presence of sufficient policy buffers, which have provided a cushion to support the ongoing economic recovery and facilitate increased public investment.

Industry Overview

Global Agricultural Sector

At a compounded annual growth rate (CAGR) of 9.4 percent, the global agriculture market expanded from $12,245.63 billion in 2022 to $13,398.79 billion in 2023.[16] In the short term, the Russia-Ukraine conflict diminished the likelihood of a global economic recovery while the prolonged post-effects from the COVID-19 pandemic are lingering in the sector. The sustained inflationary pressure and the consequent rise in commodity prices is the catalyst behind the expansion of the market.

Globally it is estimated that the food and agribusiness sector accounts for 35 percent of all jobs and close to 4 percent of global GDP.[17] Food and agriculture are responsible for over thirty percent of global Greenhouse Gas emissions[18] and over 80 percent of tropical deforestation and biodiversity loss. Transformation of food systems is crucial for achieving net-zero, nature-positive goals by 2030, providing dignified livelihoods, and contributing to improved nutrition and health for the planet's 8 billion inhabitants. Up to 2.3 billion people face moderate or severe food insecurity, a number that has been exacerbated by recent crises. Multiple shocks, including extreme weather, pests, and conflicts, are impacting food systems, resulting in higher food prices and an increase in hunger. Since the first United Nations (UN) Food Systems Summit in 2021, 117 countries have pledged to transform their food systems under the Sustainable Development Goals (SDGs).

Food systems that are healthy, sustainable, and inclusive are essential for achieving global development goals. Agricultural development is one of the most effective tools for eradicating extreme poverty, increasing shared prosperity, and feeding 9.7 billion people by 2050, as projected.[19]

Agriculture Sector in India

India, the most populous nation[20] in the world with a large population economically dependent on agriculture, also has the largest arable land resources in the world. The country is endowed with 15 agroclimatic regions, six major climates, and six major soil types, and is renowned for its rich biodiversity. India is the leading producer of spices, pulses, tea, cashews, milk, and jute, the second-leading producer of wheat, rice, fruits and vegetables, sugarcane, cotton, and oilseeds, and has the largest area under wheat, rice, and cotton. In addition to being the world's largest producer of mangoes and bananas, the country also has the largest livestock population.

Having already achieved food security for its 1.4 billion people through the Green Revolution, Indian agriculture is now focusing on nutritional security – for a rapidly expanding urban population in the domestic market, as well as lucrative export markets. Therefore, the country's agriculture sector offers substantial room for long-term, sustainable growth. In the last six years, the agriculture sector has maintained a robust annual increase in the total output of food grains as well as fruits and vegetables, thanks to steady advances in

[11] *World Bank Group – Global Economic Prospects January 2023 - https://openknowledge.worldbank.org/server/api/core/bitstreams/254aba87-dfeb-5b5c-b00a-727d04ade275/content*

[12] *Ministry of Statistics and Programme Implementation – Press Information Bureau - https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1915936*

[13] *Ministry of Commerce & Industry – Press Information Bureau – Annex-I "WPI Based rate of Inflation (YoY) - All commodities" https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1917224#:~:text=The%20rate%20of%20inflation%20based,2.32%25%20in%20March%2C%202023*

[14] *CMIE – Centre for Monitoring India Economy -https://unemploymentinindia.cmie.com/*

[15] *https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=IN*

https://pib.gov.in/PressReleseDetail.aspx?PRID=1613998

[16] *Business Research Company - https://www.thebusinessresearchCompany.com/report/agriculture-global-market-report*

[17] *World Bank - https://www.worldbank.org/en/topic/agriculture/overview*

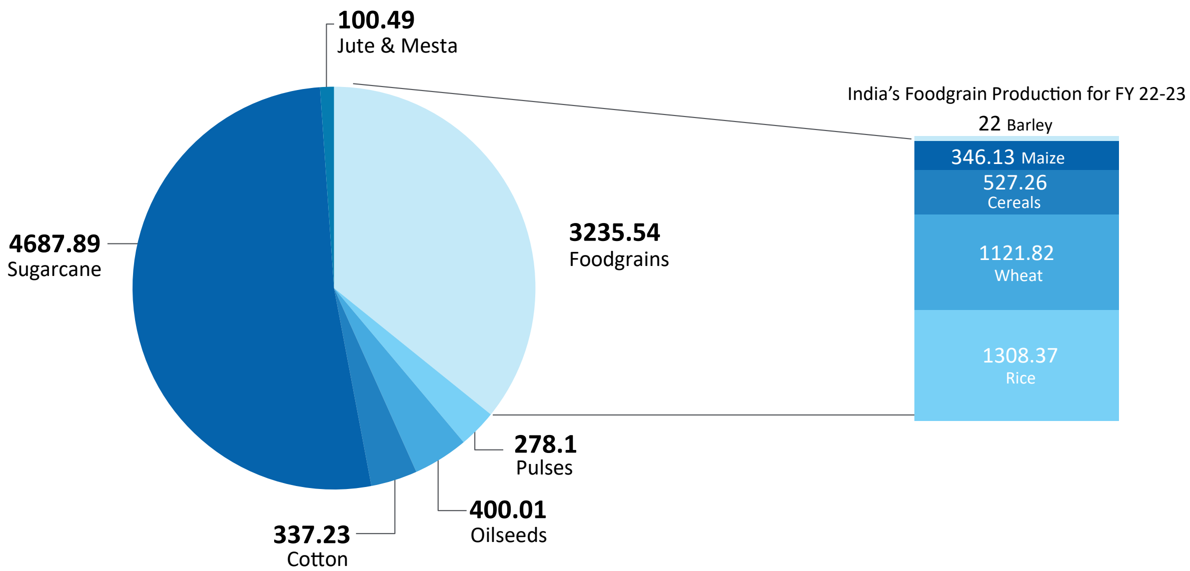
[18] *World Bank - https://www.worldbank.org/en/topic/agriculture/overview*

[19] *World Bank - https://www.worldbank.org/en/topic/agriculture/overview*

[20] *UN DESA- Policy Brief No. 153: India overtakes China as the world's most populous country, April 2023*

scientific agronomy. India's agricultural sector has grown at a rate of 4.6 percent annually on average.[21] In fiscal policy statements, it was noted that the Indian agriculture sector is projected to expand by 3.5 percent in FY 223. In recent years, India has rapidly emerged as a net exporter of agricultural products in addition to meeting domestic demand. With agricultural exports exceeding $50.2 billion in FY23[22]. According to the second advance estimate, India is projected to produce a record-breaking 323.55 million tonnes of foodgrains in FY23, an increase of 7.5 million tonnes over the previous year's output, which can be subdivided as[23]:

India's Crop Production for Major Crops in FY 22-23 (in lakh tonnes)



Ministry of Agriculture and Farmers Welfare – Press Information Bureau - https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1899193

In line with past trends, the food grain production in the country is dominated by Wheat and Rice, accounting for around 63 percent of the grains produced. To ensure food security and sustainable agriculture, aggressive crop diversification away from Rice and Wheat is of the essence, which is being promoted to make India the global hub for millets, while we celebrate 2023 as the International Year of Millets[24]. India's food security is dependent on cereal crop production, as well as an increase in the production of fruits, vegetables, and milk, to meet the demands of a growing population with rising incomes. To achieve this, a productive, competitive, diversified, and sustainable agricultural sector must emerge rapidly.

Compared to advanced economies, India faces several challenges in its agricultural sector, including low yields, inadequate irrigation infrastructure, limited adoption of modern agronomy, and insufficient farm mechanization. The country also lags in terms of agricultural inputs consumption and the scale and spread of support infrastructure. These challenges are critical and require a comprehensive strategy that focuses on increasing agricultural productivity, reducing rural poverty through inclusive approaches encompassing agriculture and non-farm employment, and ensuring that agricultural expansion meets the demands of food security. In her 2023-24 speech, the Honourable Minister of Finance made the following agricultural proposals:

- The Digital Public Infrastructure will be constructed as an open-source, open-standard, and interoperable public good. This will allow for inclusive, farmer-centric solutions through crop planning and health information services, as well as improved access to farm inputs, credit, and insurance.
- Agriculture Accelerator Fund: The Fund will be established to encourage agribusiness startups by young rural entrepreneurs. It aims to increase agricultural productivity and profitability by introducing modern technology.
- Agriculture Credit: With an emphasis on animal husbandry, dairy, and fisheries, the agriculture credit target will be raised to Rs 20 lakh crore.
- Storage: A plan will be implemented to establish decentralized storage capacity to assist farmers in storing their produce and realizing profitable prices through timely sales.
- Cooperatives: Over the next five years, the government will facilitate the formation of multipurpose cooperative societies, primary fishery societies, and dairy cooperative societies in undeveloped panchayats and villages.
- Atmanirbhar Clean Plant Programme will be launched with a budget of ₹ 2,200 Crores to increase the availability of high-quality planting material for high-value horticulture crops.
- The Indian government established a network of 729 Krishi Vigyan Kendras (farm science centers) at the district level to ensure that farmers have access to improved seed varieties, crop protection, and agricultural technology.
- In April 2022, India's Ministry of Agriculture and Farmers' Welfare issued a two-year authorization for drone-based spraying of many registered pesticides to combat locust damage.
- Making India a Global Hub for Millets: 'Sree Anna' - Research Promotion Assistance to IIMR, Hyderabad.
- Three specialized Artificial Intelligence (AI) centers will be established in educational institutions to investigate AI-based solutions for agriculture, healthcare, and sustainable cities.

[21] *Ministry of Finance – Press Information Bureau - https://pib.gov.in/PressReleasePage.aspx?PRID=1894900*

[22] *Ministry of Finance - Press Information Bureau - https://pib.gov.in/PressReleasePage.aspx?PRID=1895288#:~:text=Fiscal%20policy%20statements%20highlighted%20that,Bn%20in%20FY%202022%2D23.*

[23] *Ministry of Agriculture and Farmers Welfare – Press Information Bureau - https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1899193*

[24] *Food and Agriculture Organization of the United Nations - https://www.fao.org/millets-2023/about/en*

Sustainable agriculture focuses on crop and livestock production with minimal environmental impact over the long term. It seeks to achieve a delicate balance between the need for food production and environmental ecosystem protection. Existing agricultural practices, such as crop mixing, coupled with water management practices, such as drip irrigation, can have a direct impact on the sustainability of agriculture in India. The management of livestock and manure should be encouraged to sequester carbon and/or reduce greenhouse gas emissions. A shift from traditional rice cultivation to Direct Seeding of Rice (DSR) should be encouraged, as it is seen to be one of the most efficient, sustainable, and economically viable rice production methods used today with around 40 percent of worlds' irrigation water being used for rice production[25]. With India being the second largest producer of rice, DSR can help achieve the country's sustainability ambitions. Efforts should be made to promote Integrated Pest Management (IPM), which combines cultural, biological, and chemical measures to provide a method of controlling diseases, insects, weeds, etc. that is cost-effective, environmentally sound, and socially acceptable. State and national programs, such as Rashtriya Krishi Vikas Yojana, support IPM through pest surveillance activities.

Even though there has been progress in India's agricultural industry's sustainability efforts, there is still much work to be done. Agriculture in India is one of the sectors with the highest greenhouse gas (GHG) emissions, which can only be mitigated through sustained efforts by both the government and the private sector. The Indian government has already embarked on its journey towards 'Amrit Kaal' with the seven 'Saptarishi' priorities adopted in the Union Budget for FY24, including 'Green Growth'. This would support the country's vision of Green Growth by providing the necessary impetus to the various government entities and the industry to make progress towards sustainability in agriculture.

Agrochemical Industry

Global Scenario

Increasing human and livestock populations continue to fuel the growth of demand for agricultural products, both food and non-food. Concurrently, shrinking arable land pools and cultivated acreage exerted pressure on agricultural output. As millions of families advance to higher socio-economic classes, nutrition, and health-conscious consumers are adopting discerning dietary patterns. Consequently, the demand for food items, such as fruits, vegetables, dairy, meat, and organic produce, continues to increase at a healthy rate. In the inverse relationship between decreasing inputs (resources) and increasing output (food production), yield improvement can effectively bridge the gap. When crop loss due to pests, diseases, etc. is minimized, it not only helps meet the rising demand for food but also improves farmer earnings. Crop protection chemicals are crucial to achieving food security, nutrition assurance, farm income growth, and sustainable agriculture. Located in the sweet spot of food and nutrition, the crop protection industry typically grows at the same rate as the overall economy.

The global market for agrochemicals is estimated to reach $235.2 billion in 2023. The market for agrochemicals is anticipated to grow at a CAGR of 3.7 percent between 2023 and 2028.[26] Global population growth has a significant impact on the industry's growth, as rising food consumption is a major factor. Asia-Pacific, for instance, contributes significantly to the global population. The rising global demand for food has prompted farmers to increase production. The increasing global demand for herbicides, pesticides, and insecticides because of their increased use in agricultural applications has put pressure on manufacturers and suppliers to increase production and supply. Sustained higher inflationary levels leading to higher commodity prices is the main driver for an increase in the market size of the industry.

Herbicides are the largest segment of crop protection chemicals in most countries across all regions due to their extensive use in weed control and low cost. Additionally, GMOs have altered the use of pesticides in agriculture. Genetically modified (GM) crops that are resistant to herbicides have led to an increase in herbicide use. Asia-Pacific is the largest geographical segment of the studied market and India is the fastest-growing herbicide market in the Asia-Pacific region. The size of the global herbicides market is projected to increase by 10.7 percent per year, from $34.37 billion in 2022 to $38.04 billion in 2023.[27]

Changing climatic conditions, shrinking arable land, and rising food demand are the key primary forces propelling the global herbicide market. Integrated pest management (IPM) is paving the way for pest control without harming the environment, despite a variety of government policies designed to restrict the use of herbicides. This provides herbicide manufacturers with an outstanding opportunity to capitalize on the market potential for manufacturing green herbicides, which are expanding at a faster rate, thereby driving the market during the forecast period.

The size of the global fungicides market will increase by 6.4 percent per year, from $20.77 billion in 2022 to $22.11 billion in 2023.[28] Multiple factors affecting the impact on the Fungicides supply chain and the growing demand for a cleaner, more sustainable environment are compelling businesses to modify their strategies.

In 2022, the global insecticides market was valued at USD 9.12 billion, and it is anticipated to expand at a compound annual growth rate (CAGR) of 4.6 percent from 2023 to 2030.[29] The expansion is attributable to its increasing use in preventing pest and insect attacks on agricultural fields.

According to the World Bank's 2023 commodity report, fertilizer prices have increased since 2022 due to rising input costs, supply disruptions resulting from sanctions against Belarus and Russia, and export restrictions imposed by China. The price of urea has surpassed its 2008 global food crisis peak, while the price of phosphate and potash is approaching its 2008 peak. Since the 1970s, the weed population's resistance to single and multiple modes of action has steadily risen and is now present in hundreds of species. A similar scenario may apply to the countless fungi and insects that have acquired resistance. This requires the development of new, innovative technologies. In principle, the significance of IPM has been known for decades, and while it is mandated in many countries, its implementation is slow in some parts of the world. Additional research and training would help to advance this.

The segment of synthetic chemicals holds a significant market share due to its widespread use in developing economies, such as Africa and Asia. In addition, demand for chemicals derived from biological sources is anticipated to increase during the forecast period because of local and federal government support for eco-friendly crop protection chemicals. These are viable alternatives to conventional pesticides due to their low cost and near-zero environmental impact. The global market for biopesticides is anticipated to grow at a CAGR of 15.6 percent from 2022 to 2027, reaching $11.3 billion by 2027.[30] Crop protection chemicals, such as herbicides and fungicides, are anticipated to gain market share due to the increasing frequency of

[25] *DSR https://dsrc.irri.org/our-work/what-is-dsr*

[26] Global Agrochemical Market https://www.globenewswire.com/en/news-release/2023/03/30/2637462/28124/en/Global-Agrochemicals-Market-Report-2023-Impact-of-Abiotic-Stressors-and-Growing-Cases-of-Plant-Diseases-Fuels-Growth.html

[27] Business Research Company - Herbicide Market - https://www.thebusinessresearchCompany.com/report/herbicides-global-market-report

[28] Business Research Company - Fungicide Market - https://www.thebusinessresearchCompany.com/report/fungicides-global-market-report

[29] Grand View Research - Insecticide Market - https://www.grandviewresearch.com/industry-analysis/insecticides-market

[30] Biopesticides Market Research Report- https://www.marketsandmarkets.com/Market-Reports/biopesticides-267.html

rodent and insect attacks on crops.

The regulatory system for crop protection chemicals has become both more transparent and more stringent. Since 1991, more than fifty percent of active ingredients have been withdrawn (in the European Union), placing an increasing burden on the agrochemical industry. The regulation of biopesticides is still in its infancy, although biopesticides may replace some banned chemicals, we can expect this group of substances to face increasing challenges, particularly political ones. Recently, the European Union (EU) has been at the forefront of sustainability efforts and has developed the 'Chemicals Strategy for Sustainability,' which includes a long-term vision for the EU's chemicals policy. These regulatory initiatives and the growing environmental consciousness of consumers have prompted companies in the most important end-use industries to innovate and develop sustainable chemical solutions.

New opportunities exist in chemistry (e.g., biopesticides, bio-stimulants) as well as in technologies and practices (e.g., artificial intelligence, robotics, advanced hybrids, gene editing, etc.) in addition to the more established IPM practices, such as resistance traits and effective cultural practices. Transitioning to a crop protection system that promotes soil health is an underexplored means of achieving agricultural sustainability and productivity over the long term. This will necessitate pest control methods that are compatible with specific soil health practices and do not diminish the functional capacity of soil communities. Green chemistry is the development of chemical products and processes that minimize or eliminate the use or production of hazardous substances. Green chemistry encompasses the entire life cycle of a chemical product, including its design, production, use, and eventual disposal. The future of the agrochemical industry will be primarily driven by digital technology. Utilizing Industry 4.0, IoT, AI, and digitalization of processes using various IT platforms for various business processes in the value chain has become essential for making fact-based decisions in the modern world. The digital world in the agrochemical industry is a differentiator that is leveraged across all business aspects.

Indian Agrochemicals Industry

India's agrochemicals market is a major contributor to the expansion of the global agrochemicals market. Due to the enormous consumption of pesticides and fertilizers for agricultural purposes, the Asia-Pacific region is expanding at the fastest rate worldwide. This is a result of the region's adoption of modern and innovative farming techniques. The Indianization of the agrochemical industry, which has fueled the sales of agrochemical products, has had a positive effect on the industry. Other factors influencing the expansion of the Indian agrochemical industry include a rise in population, rising demand for food production, and economic expansion. India is the fifth largest producer, the fourth largest exporter, and the thirteenth largest importer of agrochemicals worldwide. Due to China's 2015 tightening of environmental regulations and the subsequent impact on the global chemicals supply chain, India has been at the forefront of the chemicals and agrochemicals industry for the past decade.

In 2022, the Indian agrochemicals market reached a size of approximately USD 6 billion.[31] The market is anticipated to expand at a CAGR of 8.5 percent between 2023 and 2028, reaching nearly $9.82 billion by 2028.[32] According to the Federation of Indian Chambers of Commerce and Industry, the Indian government recognizes its agrochemical industry as one of its top 12 Champion industries to achieve global leadership by 2025, with a growth rate of 8 to 10 percent.

India uses only 307g/ha compared to 13 kg/ha in the United States, China, and other nations, which is insufficient. As a result of weeds and insects attacking their crops, Indian farmers lose significant profits. The agrochemicals industry in India has been confronted with significant obstacles, such as an influx of counterfeit agrochemicals solutions, which negatively impact food production, the health of farmers and consumers, and the environment. To prevent further proliferation, it is imperative to address the situation proactively. Additionally, there is a pressing need for the establishment of quality standards, testing protocols, and a comprehensive review of pesticide usage to promote awareness and ensure their prudent and responsible use. Crisil projects that the industry's revenue will increase by 10-12 percent in FY24, as India continues to benefit from global players' "China plus one" strategy, and the efforts to diversify their supply chains, and as patents on key molecules expire. In the agrochemicals industry, exports will continue to account for approximately 53 percent of total revenue. Europe's domestic chemical industry has been rendered weak by the geopolitical and macroeconomic climate, the high cost of labour and raw materials, and the skyrocketing price of natural gas — the primary feedstock for the industry, as well as the newly enacted sustainability norms and regulations. This creates new opportunities for Indian exporters to serve Europe's top buyers, such as the United States, the United Kingdom, and China. Favourable factors such as regulatory compliance, R&D capacity, intellectual property (IP) protection, low-cost manufacturing, government support, and the size and maturity of the Indian agrochemical industry will enable India to gradually increase its share of the global agrochemical market. This objective is hindered by several obstacles, such as limited feedstock/land availability, low investments in R&D, and delayed environmental clearances, among others. Fortunately, the government has already begun creating an easily accessible scientific database and launching farmer education programmes on the advantages of agrochemical use. To attract more investments in this sector, the government is also working towards rationalizing customs duty, developing PLI schemes, reducing the time required to grant environmental clearances, and establishing chemical parks.

As the Indian government continues to promote sustainable agriculture, a developing opportunity exists in bio-stimulants and biopesticides. The chemical industry interacts directly with other industries and can influence them by urging businesses to develop a greener product portfolio and adopt environmentally friendly practices. Utilizing natural ingredients, energy conservation techniques, low-carbon products, and investing heavily in R&D can go a long way towards making Indian products competitive on the global market. Low financial incentives (return on investment) from the incumbent agrochemicals industry inhibit the adoption of biopesticides for minor crops. The cost of registering and introducing R&D can prevent small companies from entering the market. Integration of biological expertise into R&D and business strategies is not yet optimal.

Company's Business Overview

With over 75 years of service, PI Industries has established itself as a leading agrochemical Company in India. Our strong brand recognition and global presence are built on the pillars of Trust, Integrity, and Respect. We have secured exclusive distribution rights from multinational corporations, expanding our product line to meet the evolving needs of our customers. From research and development to manufacturing, marketing, and customer engagement, PI provides a comprehensive range of services. We have consistently delivered value-added solutions to farmers in India and worldwide, creating a niche market and leaving a lasting impact on our customers. Through our strategic, differentiated, and partnership-based approach, we have achieved rapid growth and delivered superior returns to all our stakeholders.

External Research Report on Indian Agrochemicals Market

[31] *https://www.expertmarketresearch.com/reports/india-agrochemicals-market*

[32] *https://www.expertmarketresearch.com/reports/india-agrochemicals-market*

Inspired by Science

Discovery, Development and Scale-up

PI's Research and Development (R&D) is directed towards reimagining a healthier planet for the future. With the demand for food forecasted to increase substantially in the next decade food security is a major concern. Our R&D efforts are aligned to discover new Active Ingredients which can potentially be insecticides or fungicides in the future.

Throughout the year, the R&D team worked on over 40 products in various phases of development, and the pipeline contains over 25% non-chemical products. PI has registered over 145 patents, surpassing the previous record. The R&D department continues to review the existing research pipeline, twice a year, based on intensive market research and peer analysis to make appropriate decisions. This agility ensures that R&D is dynamic and light-footed in an environment where sudden changes are common.

We attract highly qualified scientists to conduct multidisciplinary research in the fields of Biology, Formulations, Process Chemistry, Kilo Labs etc. providing diverse exposure to the scientists. We strongly support learning and development by enabling personnel to visit different conferences, lectures and Universities in India and abroad. PI also has a Higher Education Policy which encourages further development of the employees. We strongly support learning and development by enabling personnel to visit different conferences, lectures and Universities in India and abroad. PI also has a Higher Education Policy which encourages further development of the employees.

Focusing on "Responsible Growth for a Better Tomorrow" we are emphasizing greener solutions, producing less waste, and decreasing the use of toxic catalysts. All our products are free from red triangle and adopting Green Chemistry and engaging in greener innovations is the way forward with increasing focus on sustainable products – Bio-pesticides, Bio-stimulants and newer innovations like Combination products, Nano-pesticides, RNAI pesticides, drone spraying and precision farming.

For additional information please refer to the Intellectual Capital Section of the Integrated Report on Pg. 100

Product Evaluation & Registration

PI has a world-class, highly competent product evaluation team that is equipped with the best-in-class tools for data administration, product characterization, and knowledge generation to assist Indian farmers in reaping bountiful harvests using these modern chemical ingredients. In accordance with the Insecticides Act of 1948, the Registration committee is required to register all products containing active ingredients that are on the list of products scheduled for export. The registration requires data on the chemistry and manufacturing process, in addition to other information as per the protocol. The team has comprehensive knowledge of the Indian regulatory framework and specializes in planning and coordinating studies with CROs pertaining to bio-efficacy, residue, and toxicological studies following applicable regulations to submit quality data and obtain regulatory approvals.

For additional information please refer to the Intellectual Capital Section of the Integrated Report on Pg. 100

Manufacturing

Please refer to the Manufactured Capital Section of the Integrated Report on Pg. 96

Marketing & Distribution

Please refer to the Social and Relationship Capital Section of the Integrated Report on Pg. 124

Customer Connect

Please refer to the Social and Relationship Capital Section of the Integrated Report on Pg. 124

Financial Review

During FY23, PI's revenue from operations grew by 23 percent to ₹ 64,920 million as compared to ₹ 52,995 million in the previous year. The Company saw strong growth in export of 26 percent in FY23, contributing to the volume growth of existing products and the commercialization of new products. Domestic revenues were up by 12 percent, well in line with the Company's business plan. PI's Net Profit for the year saw a healthy 46 percent growth to ₹ 12,295 million from ₹ 8,438 million in FY23.

The net worth of PI Increased by 18 percent over last year to ₹ 71,833 million in FY23 due to increased operating profits. As on March 31st, 2023, the Surplus Cash net of Debt stood at ₹ 32,343 million, including QIP net proceeds of ₹ 18,885 million. Debt equity ratio was at NIL as compared to 0.04 in the previous year. The Board of Directors have recommended a final dividend of 550 percent which is ₹ 5.5/- per share. This, in addition to interim dividend of ₹ 4.5 that was already declared in FY23, takes the total dividend to ₹ 10/- per share for the financial year. The Company saw significant improvement in its Free Cash Flow and Gross Cash during FY23. Total CAPEX entailed in FY23 was ₹ 3,385 million, order book position continues to stay strong at ~$1.8 billion with high visibility growth for the next couple of years.

PI's growth can be attributed to a variety of factors, which can be attributed to our high quality product portfolio, our ability to upscale the existing products. Additionally, commercialization of new product offerings was met with improved traction and market acceptance. An overall conducive macro-economic environment complemented our competencies, with an overall positive global demand scenario driving volume growth. Rising commodity prices and favourable foreign currency conditions are other factors helped in improving our profitability.

As required under SEBI (LODR) Regulations, key financial ratios are enumerated below as compared to previous year:

Particulars	FY 2022-23	FY 2021-22
Earnings per Share (EPS)	81.06	55.65
Current Ratio	4.79	3.68
Debt Equity Ratio	0	0.04
Operating Profit Margin (%)	23.9%	21.6%
Net Profit Margin	18.94%	15.92%
Inventory Turnover	2.52	2.36
Debtors Turnover	7.06	5.71
Interest Coverage Ratio	*	89.19
Return on Net Worth	18.46%	14.72%

' ECB loan paid off during the year.*

Internal Control Systems

Your Company has in place adequate Internal Financial Controls concerning the Financial Statements commensurate with the size, scale, and complexity of its operations. The Company has identified and documented all key internal financial controls as part of its Internal Financial Control reporting framework. The Company has laid down well-defined policies and procedures for all critical processes across Company's plant, and offices wherein financial transactions are undertaken. The policies and procedures cover the key risks and controls in all the processes identified to the respective process owner. In addition, the Company has a well-defined financial delegation of authority, which ensures the approval of financial transactions by the appropriate personnel. The Company uses SAP ERP to process financial transactions and maintain its books of accounts to ensure its adequacy, integrity, and reliability. The Company has also deployed an online control tool to enhance the operating effectiveness of internal controls. The control system comprises continuous audit and compliance by an in-house internal audit team supported by an appointed auditing firm. M/s Ernst & Young LLP have been engaged as the corporate auditors covering all central corporate functions along with the CSM business vertical and PKF Sridhar & Santhanam LLP who are covering the Agri business vertical along with Depot audit. The agencies perform the internal audit and assess the internal controls and statutory compliances in various areas and provide suggestions for improvement.

Independence of internal auditors is ensured through direct reporting to Audit Committee. Internal Auditors independently evaluate the adequacy of internal controls and concurrently audit the financial transactions and review the various business processes. Internal Audit reports are placed before the Audit Committee of the Board. Accordingly, the Board is of the opinion that the Company's internal financial controls were adequate and effective for the financial year ended March 31, 2023.

Risk Management

Please refer to the Risk and Opportunities section of the Integrated Report on Pg. 144

Human Resources

Please refer to the Human Capital section of the Integrated Report on Pg. 106

Information Technology

Please refer to the Intellectual Capital section of the Integrated Report on Pg. 100

Business Outlook

The prediction of another normal monsoon for the crop year 2023-24 bodes well for India's agricultural industry. The latest IMD (Indian Meteorological Department) forecast upgrade to 96 percent of LPA due to El Nino makes this the eighth consecutive year of normal monsoon conditions. The output of food grains as well as fruits and vegetables are likely to break records for a second consecutive year. Therefore, the domestic demand for agrochemicals is likely to continue its upward trend, given the high dependency on rainfall for irrigation. In turn, this improves PI's prospects within the domestic agrochemicals market. Additionally, the Company is likely to benefit from the maturation of its recent product launches. In addition, the Company intends to introduce five new products to domestic markets during FY24. In addition, its targeted approach to the horticulture segment through JIVAGRO, combined with a robust pipeline of new product launches, will support domestic market growth in FY24 and beyond.

The Company continues to maintain a robust order book in exports as a solid foundation for revenue visibility and expansion. With the planned commercialization of three new molecules and two new process innovations, is well positioned to maintain its growth and profitability in FY24. In addition, the Company's non-chemical enquiry portfolio continues to advance qualitatively and quantitatively. On the heels of some of these inquiries entering the commercialization phase in FY24, PI's CSM business is not only projected to maintain its growth momentum but also to bolster its non-agro chemical base. The Company's increasing investments and activities in the R&D domain will continue to hone its scientific prowess and complex chemistry capabilities to not only increase the loyalty of its existing innovator customers but also attract many new innovator customers from the AgChem space and beyond. Considering these factors, PI is poised to further consolidate its comparative position as India's leading specialty chemicals player, uniquely positioned with domestic agrochemicals and export businesses as growth engines.

A growing population, increasing demand for agricultural products, both in the domestic market and in the international market, improved awareness about the products, and the necessity to increase productivity per hectare will play a part in this growth. The positive trend and the integration of farming practices in the country are expected to propel the industry growth rate of agrochemicals in India within the forecast period. PI is an industry leader and using sustained R&D efforts, having a knowledge-oriented vision, and turning to greener chemistry your Company aims to establish itself as a sustainability leader, a benchmark, in every sector it operates. An increase in market share and the corresponding growth can take place only when the business is being responsibly conducted. We strive to improve resource efficiency, reduce waste and pollution, and promote sustainable consumption through ethical marketing practices, to ensure "Responsible growth for a better tomorrow".

Our strategic diversification into the pharmaceutical sector marks an important milestone for our company. We are expanding our presence in this industry through key acquisitions and partnerships. Recently, our wholly owned subsidiary, PI Health Sciences Ltd, has entered into definitive agreements with Therachem Research Medilab (TRM) LLC, a renowned provider of chemistry-driven solutions for medicinal chemistry research and development, with a focus on rare diseases. This acquisition includes TRM's subsidiaries in India, TRM India and Silis Pharmachem, as well as its U.S. assets. Additionally, we have also signed a definitive agreement with Plahoma Twelve GmbH for the acquisition of Archimica SpA. These acquisitions are a significant step towards establishing a strong foothold in the pharmaceutical CDMO space. By leveraging our expertise and resources, we aim to deliver comprehensive services and products to pharmaceutical and biopharmaceutical companies worldwide. We are dedicated to building a differentiated position across the pharmaceutical value chain. To support our expansion, we are developing a state-of-the-art integrated pharmaceutical research center in IKP Hyderabad. This center will serve as a hub for CRO and CDMO offerings, catering to a broader range of customers throughout the life sciences value chain. Establishing a business that grows responsibly is integral to collaborating with global innovators and being at the forefront of innovation to develop transformative life sciences solutions. Through these strategic moves, we are poised to tap into the vast global market of CDMO, broaden our offerings, and strengthen our position in the pharmaceutical industry. We remain committed to creating sustainable growth and delivering value to our stakeholders while advancing healthcare solutions for the betterment of society.

Cautionary Statement:

Statements in the Management Discussion and Analysis report may be 'forward looking statements' within the meaning of the applicable laws and regulations. Actual results may differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include among other, climatic conditions, economic conditions affecting demand, supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental.

Board's Report

Dear Members,

Your Directors are pleased to present the 76th Annual Report on the business and operations of the Company (PI) together with the Audited Financial Statements for the financial year ended March 31, 2023.

1. FINANCIAL HIGHLIGHTS (STANDALONE) (in ₹ million)

Particulars	FY 2022-23	FY 2021-22
Revenue from Operations	62,704	50,769
Other Income	1,589	999
Profit Before Interest, Depreciation and Tax	16,789	12,112
Interest	355	123
Depreciation	2,217	1,984
Profit before Tax & Exceptional items	14,217	10,005
Less: Current Tax	(2,567)	(1,852)
Deferred Tax	(464)	(44)
Profit after Tax	12,114	8,197
Add: Other Comprehensive Income	(396)	87
Total Comprehensive Income	11,718	8,284
Balance of retained earning brought forward from previous year	36,008	28,563
- Profit for the year	12,114	8,197
- Other Comprehensive Income (OCI) for the year	(396)	87
Appropriations: -	-	-
Final Dividend on Equity Shares 2021-22	455	-
2020-21		303
Interim Dividend on Equity Shares 2022-23	683	
2021-22		455
Dividend Distribution Tax on Equity Shares	-	-
Transfer to General Reserve	-	-
Balance Profit carried forward	46,035	36,008
Earnings Per Share - Basic (in ₹)	79.84	54.03
- Diluted (in ₹)	79.84	54.03

2. KEY HIGHLIGHTS

The Company's Revenue from Operations for the year ended March 31, 2023, on a standalone basis stood at ₹62,704 Million as compared to ₹50,769 Million in the previous year registering a growth of 23.5% on YoY basis. The Operating Profit for the year was at ₹15,200 Million as compared to ₹11,113 Million in the previous year i.e., an increase of 36.78% YoY. The Net Profit for the year on standalone basis stood at ₹12,114 Million as compared to ₹8,197 Million in the previous year i.e., a growth of 47.79% YoY.

The Company's Revenue from Operations for the year ended as on March 31, 2023, on consolidated basis stood at ₹64,920 Million as compared to ₹52,995 Million in the previous year, registering a growth of 22.50% on YoY basis. The Company's Net Profit for the year ended March 31, 2023, on consolidated basis stood at ₹12,295 Million during the year as compared to ₹8,438 Million in the previous year, a growth of 45.71% YoY.

The Earnings Per Share (EPS) for the year stood at ₹81.06 per share, shows a growth of 45.66% as compared to ₹55.65 per share for the previous year.

The Company invested ₹425 Million in fixed assets for the expansion of manufacturing and Research & Development capacities.

No amount was transferred to general reserves during the year.

3.PRESENTATION OF STANDALONE AND CONSOLI-DATED FINANCIAL STATEMENTS

The financial statements of the Company for FY 2022-23, on a standalone and consolidated basis, have been prepared in compliance with the Companies Act, 2013 (the 'Act') applicable Accounting Standards and the Listing Regulations and amendments thereto and are disclosed in accordance with Schedule III of the Act. The consolidated financial statements incorporate the audited financial statements of the subsidiaries and joint ventures of the Company.

4. BUSINESS PERFORMANCE

During the year under review, the Company launched seven new products, namely Distruptor, Brofreya, Dinoace, Taurus (Insecticide), Tomatough (Biostimulant), Provide (Herbicide) & Sectin (Fungicide).

- Distruptor is an innovative technology which protects the Rice crop from devastating pests like BPH (Brown Plant Hopper) & WBPH (White Backed Plant Hopper). Powered with XP technology it works on all stages of BPH. Distruptor launch in rice markets across the country has placed us well in the dynamic BPH segment.
- Dinoace is a dual action insecticide recommended for sucking pests' control on Cotton crop. It is powered by DSA technology which gives quick knockdown action & a long duration control.
- Brofreya is a revolutionary insecticide which is bringing technological advancement for Indian farmers. It gives cross spectrum control on Lepidopteran & sucking pests. It is a safer chemistry with only 1 day PHI (Pre-Harvest Interval).
- Taurus is first addition of a nematicide in PI's portfolio. It helps in management of nematodes in Tomato crop.
- Tomatough is a seaweed-based product which, with its superior technology, helps in boosting plant health & endogenous immunity in crops.
- Sectin is a combination fungicide with excellent curative control against Downy mildew & late blight.
- Provide is a herbicide with pre-emergence to post-emergence application on Cotton crop. With advanced MEC formulation & dual mode of action, it gives broad-spectrum control. The addition of Provide has strengthened PI's Cotton Crop Solution (CCS) portfolio.

Normal monsoon season during the crop sowing period of Kharif supported timely sowing of crops and normal acreages in each crop segment. Continuous rain in June-July resulted in the growth of herbicides. Newly introduced cotton herbicide Provide was received well in the market. Likewise, Elite on Corn crop also performed well for the business.

Tremendous efforts were made by the organization to support ongoing transition from a product approach to a crop solution approach. Different initiatives were taken for it- Dhan Dhaan Kisaan for rice crop, CCS plots for cotton crop, and chilli micro battle for chilli crop (Horticulture business). These initiatives have kept all stakeholders focused on the goal.

The Company's exports grew 26% during FY23 as compared to the previous year due to scale up of existing products and introduction of 4 new products.

The Company successfully commercialized 4 new molecules during the year, which also included 2 new Electronic Chemicals, marking the Company's foray into this niche specialized field offering promising potential in the future. Continuing on its thrust in investing for the future and ramping up its capabilities, the Company has operationalized "Flow-Chemistry" at the commercial plant level, successfully commissioned a manufacturing facility for MMH and established Azide chemistry at a commercial scale.

The Company continues to explore and adopt new innovations in chemistry, process and engineering technologies, and is working with innovator partners to introduce novel molecules globally and continue to expand its customer base.

Various new technology absorption measures were also undertaken at plants in line with Industry 4.0 best practices. The Company implemented electronic notebooks as an analytical tool with an aim to digitalize the process development data and use the tool to fetch information from archive and other data analytics. The Company continues to work towards sustainable manufacturing, increasing the share of renewable energy in total energy sourcing and has further undertaken concrete measures for reduction of carbon footprint and water consumption. The Company has increased thrust on use of renewable energy usage and its share of the same in FY 23 has been 5.1% of total requirements. This is achieved by the implementation of energy sourcing through solar and hybrid power at all manufacturing locations.

In the past year, the Company has made significant progress in our digital initiatives, including application modernization, analytics, adoption of cloud technology, and strengthening our information security posture. One of the major achievements has been the successful modernization of the legacy applications, which has improved its performance and made it more user-friendly. The Company has also invested heavily in analytics, which has enabled it to gain deeper insights into business operations and make data-driven decisions. Furthermore, its adoption of cloud technology has enabled it to be more agile and responsive to changing business needs. It has migrated key applications and workloads to cloud, which has improved its scalability, reliability and reduced costs. Additionally, it has made significant investment in the information security posture, ensuring that the systems are protected against cyber threats and data breaches. It has implemented several security measures, such as multi-factor authentication, mobile device management, data leak prevention, 24 X 7 Security Operations Center (SOC), and regular vulnerability assessments, to keep its systems and data safe. Overall, the digital initiatives have helped to enhance the operational efficiency, drive innovation, and improve the overall competitiveness in the marketplace.

In a year marked with geo-political uncertainties, the Company has further reduced dependency on single sources, in line with its commitment to de-risk the supply chain and ensure supply sustainability.

5. AWARDS AND RECOGNITIONS

The Research & Manufacturing facility of the Company at Udaipur bagged the Karkhana Suraksha Puraskar 2023 (Factory Safety Award 2023) under the category of Large-Scale Industries. The award was presented by the Factories and Boiler Inspection Department, Rajasthan, in association with National Safety Council - Rajasthan State Chapter on the occasion of the 52nd National Safety Day, March 04, 2023.

The Company has been declared the winner of the esteemed Golden Peacock Award for Corporate Social Responsibility for the year 2022 by the Awards Jury under the Chairpersonship of Hon'ble Justice M. N. Venkatachaliah, former Chief Justice of India and former Chairperson, National Human Rights Commission of India, and National Commission for Constitution of India Reforms.

The Company retained Ecovadis Gold medal in sustainability achievement in 2022, with 97 percentile ranking.

The Company has been awarded the prestigious Golden Peacock National Quality Award for the year 2022. The list was declared by the Awards Jury under the Chairpersonship of Hon'ble Justice M.N. Venkatachaliah, former Chief Justice of India and former Chairperson, National Human Rights Commission of India and National Commission for Constitution of India Reforms after scrutiny of over 265 applications.

The Company has been featured amongst India's Top 500 companies 2022 in the list of ESG-driven enterprises released by Dun & Bradstreet on July 14, 2022, and was also conferred the Corporate Award 2022 for Outstanding Performance.

The Company has been featured amongst the biggest players in India's $212 billion Chemical Industry that is fuelling the chemical boom in India in Fortune India magazine, July 2022 issue.

Mr. Mayank Singhal, Vice Chairperson and Managing Director of the Company, was honoured as India's BEST CEO in the Agriculture & Allied sector at the 10th edition of the Business Today (BT-Mindrush) event held on June 24, 2022. The award was presented to him by the Hon'ble Minister Shri Piyush Goyal (Minister of Commerce & Industry, Consumer Affairs, Food & Public Distribution, and Textiles, Govt. of India), in the august presence of Mr. Narayana Murthy (Infosys), Shri R C Bhargava (Maruti Suzuki India), T. V. Narendran (Tata Steel), S. N. Subrahmanyan (Larsen & Toubro) and several other industry leaders.

The Company's manufacturing site at Jambusar (Gujarat) has been successfully awarded ISO 9001:2015 certification. This prestigious certification is a testimony to the Company's quality commitment.

Mr. Mayank Singhal has also been chosen to lead CII Northern Region's (CII-NR) Committee on Agriculture, Food Processing and Dairy as its Chairperson for 2022-23. This special recognition comes from his outstanding contribution and commitment to CII-NR which works to create and sustain an environment conducive to the development of India, partnering with industry, government, and civil society through advisory and consultative processes.

Mr. Mayank Singhal has also been recognized as Asia's Promising Business Leader by the Economic Times (ET), a widely read business-focused daily newspaper from The Times Group during The Economic Times Asian Business Leaders Conclave 2021-22.

6. RESEARCH & DEVELOPMENT (R&D)

During the financial year FY 23, various departments of R&D have integrated into a new "PI Research & Development", to make a broader use of resources, capabilities and to realize synergies.

The process R&D team was actively engaged in more than 50 projects in the areas of agrochemistry, electronic chemicals, and life cycle management. Literature search, feasibility analysis and lab studies were carried out for 36 projects that are targeting external customers. For 10 of these projects, representative samples have been prepared and submitted to various customers for evaluation and validation. Process demonstration has been completed on kilolab and pilotplant scale for 13 projects, and 6 projects are presently in various stages of commercialization.

For one of the aforesaid projects, an innovative process based on flow-chemistry was successfully implemented on a commercial scale, thereby significantly improving the process efficiency for large scale manufacturing. This approach will result in a reduced ESG-related footprint, exemplifying opportunities to adopt this technology for further projects.

To extend the backward integration into key intermediates for new and ongoing projects, R&D activities on the area of gas phase fluorination have been initiated.

A new biotechnology laboratory has been built to develop enzymes as biocatalysts for chemical transformations, targeting the development of greener and safer processes from an environmental point of view, and extending the technology platform of PI as a whole.

The product innovation team is running a state-of-the-art integrated R&D set-up for crop protection, with chemical discovery, laboratory, and greenhouse facilities for biological testing and with farm resources for first field trials. This facility supports various R&D projects, with a focus on plant diseases, animal pests and weed control. Scientifically, it involves chemical synthesis from discovery to scale-up, analytics for structural elucidation, quantitation as well as preparative purification and separation, molecular design and modelling, classical biological evaluation (in vitro lab, in vivo lab, greenhouse, and field testing) supported by biochemical and molecular biology research, and by formulation development. All these activities are connected by an integrated high-end electronic data documentation and management system.

A knowledge management function, responsible for literature and patent search, competitor and customer intelligence, patent filing and prosecution, and intellectual property management, is complementing the science and technology-related activities across entire R&D, offering its services to various PI business groups and to corporate functions.

The Company's R&D strategy and its implementation are well supported by a strong team of more than 450 research scientists with international experience, having state-of-the-art expertise in chemistry, analytical techniques, biological and biochemical testing, mode of action studies, tox and e-tox studies, IP management and basic and detailed process engineering including process safety.

The research assignments are involving global partners including CROs offering expertise in special areas of chemistry, engineering, IT, special analytical, biology, global field trials, and regulatory disciplines. This is complemented by a growing network of contacts to academia within India and on an international scale.

With respect to its customer research and manufacturing business, the Company continues to pursue cost leadership in which the R&D team is playing a vital role by focusing on process innovations and cost improvement opportunities for the existing product portfolio, to identify cost improvement opportunities and at the same time maintaining the highest standards of Quality, Health, Safety and Environment (QHSE). The Company's R&D and manufacturing teams are constantly working together following the ESG paradigm, e.g., with respect to green chemistry, waste reduction, energy savings, minimizing the carbon footprint, reducing the environmental load, and enhancing safety of processes and products.

7. FINANCE

The Company continued to focus on managing cash efficiently and ensured that it has adequate liquidity and back up lines of credit. Net cash from operations for the year stood at ₹15,021 Million. The Company follows a prudent financial policy and aims at maintaining an optimum financial gearing. The Company's debt to equity ratio was Nil as on March 31, 2023.

In the financial year 2022-23, CRISIL carried out the review of credit rating of loans and based upon its assessment, reaffirmed the credit rating for long term loans at AA+/Stable whereas for short term loans, rating was reaffirmed at A1+. This reflects a very high degree of safety regarding timely servicing of financial obligations and a vote of confidence reposed in the Company's financials.

8. DIVIDEND

During the year, the Board of Directors of the Company declared an interim dividend of ₹ 4.5/- per equity share in its Board meeting held on February 14, 2023, on 15,17,18,118 equity shares of face value of ₹ 1/- each which was paid on March 06, 2023.

The Board of Directors at its meeting held on May 18, 2023 has recommended a final dividend of ₹5.5/- per equity share of face value of ₹1/- each, which if approved at the forthcoming Annual General Meeting (AGM), will be paid to all those equity shareholders of the Company whose names appear in the Register of Members and whose names appear as beneficial owners as per the beneficiary list furnished for the purpose by National Securities Depository Limited and Central Depository Services (India) Limited as on record date i.e., August 11, 2023, fixed for this purpose. The total dividend for the year would be ₹10/- per equity share of face value of ₹ 1/- each.

The dividend recommended is in accordance with the principles and criteria set out in the dividend distribution policy of the Company. The dividend, if declared at the ensuing AGM will be taxable in the hands of the members of the Company pursuant to Income Tax Act, 1961. For further details on taxability, please refer AGM Notice.

DIVIDEND DISTRIBUTION POLICY

PI believes in maintaining a fair balance between cash retention and dividend distribution. Cash retention is required to finance acquisitions and future growth and as a means to meet any unforeseen contingencies.

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") the Company has formulated its Dividend Distribution Policy which specifies the financial parameters, internal and external factors that are to be considered by the Board while declaring a dividend. Dividend Distribution Policy is uploaded on the Company's website i.e.

https://www.piindustries.com/wp-content/uploads/2023/06/Dividend-Policy-f.pdf

9. SUBSIDIARIES & JOINT VENTURES

As on March 31, 2023, the Company had seven (7) wholly owned subsidiaries and two (2) joint ventures with leading Japanese companies. In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared consolidated financial statements consisting financials of all its subsidiaries and joint ventures. The key highlights of these subsidiaries and joint venture companies are as under:

SUBSIDIARY COMPANIES

i. **Jivagro Limited**

The Company owns 100% stake in Jivagro Limited. It is engaged in horticulture business. The total revenue of Jivagro Limited stood at ₹2,863 Million with net profit of ₹174 Million posted during the year ended March 31, 2023.

ii. **PI Health Sciences Limited**

The Company owns 100% stake in PI Health Sciences Limited. It is engaged in the pharmaceutical business. In order to enable its plans of growth and expansion in the pharmaceutical sector, PI Health Sciences Limited has incorporated a wholly-owned subsidiary in Netherlands i.e., PI Health Sciences Netherlands B.V on April 07, 2023 and also acquired 100% shareholding in two companies i.e., Therachem Research Medilab (India) Private Limited and Solis Pharmachem Private Limited on June 02, 2023. Further, PI Health Sciences Netherlands B.V has incorporated a wholly-owned subsidiary in United States i.e., PI Health Sciences USA LLC on April 24, 2023 and acquired 100% shareholding of Archimica S.p.A. on April 27, 2023.

iii. **PI Life Science Research Limited**

The Company owns 100% stake in PI Life Science Research Limited, which carries on the business of R&D for developing new products. The Company posted a profit of ₹39.87 Million during the year ended March 31, 2023, on account of various R&D activities for developing new products.

iv. **PI Japan Co. Limited**

The Company owns 100% stake in PI Japan Co. Limited, incorporated in Japan, which takes care of business development activities of the Company in Japan. The Company posted a net profit of JPY 3.42 Million during the year ended March 31, 2023. Due to the size of operations and local laws, the annual accounts of this Company are not required to be audited. The same have been certified by the management of the Company for the purpose of consolidation.

v. **PILL Finance and Investments Limited**

The Company owns 100% stake in PILL Finance and Investments Limited. The Company posted a profit of ₹0.41 Million during the year ended March 31, 2023.

vi. **PI Bioferma Private Limited**

The Company owns 100% stake in PI Bioferma Private Limited. The Company is yet to start the business operations.

vii. **PI Fermachem Private Limited**

The Company owns 100% stake in PI Fermachem Private Limited. The Company is yet to start the business operations.

In terms of Regulation 16(1)(c) of the SEBI (LODR) Regulations, 2015, the Company does not have any material subsidiary as on March 31, 2023.

JOINT VENTURES

i. **Solinnos Agro Sciences Private Limited**

Solinnos Agro Sciences Private Limited ('Solinnos') is carrying out registration activities for different products of Mitsui Chemicals Agro Inc., Japan, ('MCAG') in India. The Company holds 49% stake in Solinnos through its subsidiary namely PI Life Science Research Limited, whereas remaining 51% stake is held by MCAG, Japan. Solinnos posted a net profit of ₹31.24 Million during the year ended March 31, 2023.

ii. **PI Kumai Private Limited**

PI Kumiai Private Limited ('PI Kumiai') is mainly engaged in the manufacturing and trading of agrochemicals in collaboration with Kumiai Chemical Industry Co. Ltd, Japan, owning 50% stake in this joint venture. The Company holds remaining 50% equity in PI Kumai through its subsidiary namely PI Life Science Research Ltd. The aforesaid joint venture posted a profit of ₹106.31 Million during the year ended March 31, 2023.

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of the subsidiaries and associate companies is given in form AOC-1 attached as **Annexure 'A'** to this Report.

In accordance with the provisions of Section 136 of the Companies Act, 2013, the Annual Report of the Company, containing the Standalone and Consolidated Financial Statements along with the audited annual accounts of each subsidiary have been placed on the Company's website i.e. https://www.piindustries.com/investor-relations/co-go/subsidiary-financial-statements

10. RISK MANAGEMENT

The Company has a well-defined enterprise risk management framework in place which interalia, includes identification of risks, including integration of new mergers & acquisitions, sustainability, cyber security and related risks inherent to operations of the Company. Risk management process has been established across the Company and is designed to identify, assess and frame a response to threats that affect the achievement of its objectives. Further, it is embedded across all the major functions and revolves around the goals and objectives of the organization. Major risks identified by the business and functions are systematically addressed through mitigating actions on a continuing basis.

Pursuant to Regulation 21 of Listing Regulations, the Company has constituted a Risk Management Committee of the Board. As on March 31, 2023, the Committee comprises of 4 members including 1 Independent Director of the Company. The Committee met on September 02, 2022 and February 28, 2023. The Committee is authorized to monitor and review the risk management plan, apart from reviewing and recommending the modification to the Risk Management Policy, if any.

Risk management policy

Risk Management Policy of the Company includes the identification, assessment and control of elements of risk, which in the opinion of the Board may threaten the existence of the Company.

11. INTERNAL FINANCIAL CONTROLS AND ITS ADEQUACY

The Company has in place adequate Internal Financial Controls with reference to the Financial Statements commensurate with the size, scale and complexity of its operations. The Company has identified and documented all key internal financial controls as part of its Internal Financial Control reporting framework. The Company has laid down well-defined policies and procedures for all critical processes across the Company's plant, offices wherein financial transactions are undertaken. The policies and procedures cover the key risks and controls in all the processes identified to the respective process owner. In addition, the Company has a well-defined financial delegation of authority, which ensures approval of financial transactions by appropriate personnel. The Company uses SAP ERP to process financial transactions and maintain its books of accounts to ensure its adequacy, integrity and reliability. The Company has also deployed an online control tool to enhance the operating effectiveness of internal controls. The control system comprises of continuous audit and compliance by an in-house internal audit team supported by an appointed auditing firm. M/s Ernst & Young LLP have been engaged as the Corporate auditors covering all central corporate functions along with the CSM business vertical, and PKF Sridhar & Santhanam LLP who are covering the Agri Business vertical along with Depot audit. The agencies perform the internal audit, and also assess the internal controls and statutory compliances in various areas and provide suggestions for improvement. Independence of internal auditors is ensured through direct reporting to the Audit Committee. Internal Auditors independently evaluate the adequacy of internal controls and concurrently audit the financial transactions and review the various business processes. Internal Audit reports are placed before the Audit Committee of the Board.

Accordingly, the Board is of the opinion that the Company's internal financial controls were adequate and effective as on March 31, 2023.

12. RELATED PARTY TRANSACTIONS

All arrangements / transactions entered by the Company with its related parties during the year were in the ordinary course of business and on an arm's length basis. During the year, the Company has not entered any arrangement / transaction with related parties which could be considered material in accordance with the Company's Policy on Related Party Transactions read with the Listing Regulations and accordingly, the disclosure of Related Party Transactions in Form AOC - 2 is not applicable. However, names of related parties and details of transactions with them have been included in Notes to the financial statements.

Prior omnibus approval of the Audit Committee has been obtained for the transactions which are foreseen and repetitive in nature. A statement of all Related Party Transactions is presented before the Audit Committee for its review on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

The Policy on Materiality of Related Party Transactions and on dealing with related party transactions as approved by the Board is uploaded on the Company's website i.e.

https://www.piindustries.com/Media/Documents/Policy%20on%20Related%20Party%20Transactions.pdf

13. AUDITORS

Statutory Auditor

The shareholders of the Company at 75th AGM held on September 03, 2022 had re-appointed M/s. Price Waterhouse Chartered Accountants, LLP, (ICAI Registration No-012754N/N500016), as the Statutory Auditors of the Company for a second term of 5 years and accordingly they hold their office from the conclusion of 75th AGM till the conclusion of 80th AGM of the Company to be held in 2027. The Auditors' Report is unmodified i.e., it does not contain any qualification, reservation or adverse remark or disclaimer.

Cost Auditor

Pursuant to the directives issued by the Central Government under Section 148 of the Companies Act, 2013, an audit of the cost records relating to Insecticides (Technical grade and formulations) manufactured by the Company is required to be conducted by a cost auditor. The Board has appointed M/s K.G. Goyal & Co., Cost Accountants, Jaipur, as Cost Auditors, based on the recommendation of the Audit Committee for the conduct of the audit of cost records of Insecticides (Technical grade and formulations) for the year ended March 31, 2023.

The Board of Directors on the recommendation of the Audit Committee has approved the remuneration payable to Cost Auditors. In terms of Section 148 of the Companies Act, 2013 and rules made thereunder, members are requested to consider the ratification of remuneration payable M/s KG Goyal & Co., Cost Accountants.

As per Section 148 of the Companies Act, 2013, read with the Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain cost records and accordingly, such accounts and records are maintained.

Secretarial Auditor

The Board had appointed Mr. Rupinder Singh Bhatia (CP No.2514), Practicing Company Secretary, as Secretarial Auditor to carry out Secretarial Audit in accordance with the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the financial year ended March 31, 2023. The Secretarial Audit Report for the financial year ended March 31, 2023 has been obtained and does not contain any adverse qualification, which requires any comments from the Board. The Secretarial Audit Report for the financial year ended March 31, 2023, is annexed to this report as **Annexure 'B'**.

14. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any guarantee during the year under review. However, the details of loans and investments made under the provisions of Section 186 of the Companies Act, 2013 are mentioned in the Notes to the financial statements.

15. DEPOSITS

The Company has not accepted any public deposits during the financial year 2022-23 and no amount of principal or interest was outstanding as on March 31, 2023.

16. TRANSFER OF UNCLAIMED DIVIDEND AND SHARES TO INVESTOR EDUCATION AND PROTECTION FUND

During the year, the Company had transferred an amount of ₹6,82,885/- towards unclaimed dividend pending for more than seven years to the Investor Education and Protection Fund. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unclaimed amounts lying with the Company as on the date of last AGM held on September 03, 2022, on the Company's website and same is also available on the on the website of the Ministry of Corporate Affairs. The details can be viewed at the Company's website i.e.

https://www.piindustries.com/investor-relations/sh-ce/Shareholders-Information

Pursuant to the provisions of section 124 of the Companies Act, 2013 read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has transferred 1,800 equity shares on October 29, 2022, pertaining to shareholders in respect of which dividend remained unclaimed for a period of seven consecutive years to IEPF authority by way of corporate action through NSDL. The shareholders can claim their shares by making an application in form IEPF-5 online with IEPF authority. Ms. Sonal Tiwari, Company Secretary acts as a Nodal Officer of the Company for IEPF matters.

17. BOARD AND COMMITTEES

Board of Directors

The Company's Board of Directors comprises an optimum blend of Executive, Non-Executive and Independent Directors. The Chairperson of the Board is a Non-Executive Non-Independent Director. As on March 31, 2023, the Board of Directors comprised of eight (8) Directors out of whom two (2) are Executive Directors including Vice Chairperson & Managing Director and Joint Managing Director apart from six (6) Non-Executive Directors, out of which four (4) are Independent Directors including two (2) Women Independent Directors and two (2) Non-Executive Non-Independent Directors. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations and the relevant provisions of the Companies Act, 2013. The Board members possess requisite qualifications and experience in general corporate management, strategy, finance, banking, taxation, risk management, merger & acquisitions, human capital & compensation, technology, legal and regulatory fields which enable them to contribute effectively to the Company in their capacity as Directors of the Company.

Mr. Narayan K Seshadri (DIN: 00053563) completed his second consecutive term as an Independent Director of the Company and ceased to be an Independent Director of the Company from closing hours of September 05, 2022. Further, he has been appointed as a Non-Executive Non-Independent Director of the Company w.e.f. September 06, 2022, pursuant to approval granted by the shareholders in the AGM held on September 03, 2022.

Mr. Shobinder Duggal (DIN: 00039580) was inducted as Additional Director on Board on November 12, 2021. Further, his appointment was regularised in the AGM held on September 03, 2022 as Independent Director.

Ms. Pia Singh (DIN: 00067233) was inducted as an Additional Director on the board w.e.f. August 03, 2022. Further, her appointment was regularised in the AGM held on September 03, 2022, as Independent Director.

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Arvind Singhal (DIN: 00092425) retires by rotation at the forthcoming AGM and being eligible, offers himself for re-appointment. The Board recommends his re-appointment for the approval of the members at the forthcoming AGM. Brief details of Mr. Arvind Singhal are given in the notice of AGM.

Dr. Raman Ramachandran (DIN: 00200297) resigned from the position of Non-Executive Non-Independent Director on the Board w.e.f. July 01, 2022, to pursue other interests in management and coaching. He has confirmed that there is no other material reason for resignation other than that mentioned in his resignation letter. The Board placed on record its appreciation for the services provided by him during his association with the Company.

Ms. Ramni Nirula (DIN: 00015330) completed her second consecutive term as an Independent Director of the Company and ceased to be Independent Directors of the Company from closing hours of September 05, 2022. The Board placed on record its appreciation for the services provided by her during his association with the Company.

Mr. Pravin K. Laheri (DIN: 00499080) completed his second consecutive term as an Independent Director of the Company and ceased to be Independent Directors of the Company from closing hours of September 05, 2022. The Board placed on record its appreciation for the services provided by him during his association with the Company.

There has been no other change in the Directors during the year under review since the last report.

Declaration by Independent Directors

The Company has received declaration(s) from all the Independent Directors confirming that they meet the criteria of independence provided under section 149(6) of the Act and regulation 16 of the Listing Regulations. The Independent Directors have also confirmed compliance with the provisions of rule 6 of Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended, relating to inclusion of their name in the databank of independent directors.

The Board took on record the declaration and confirmation submitted by the independent directors regarding them meeting the prescribed criteria of independence, after undertaking due assessment of the veracity of the same in terms of the requirements of regulation 25 of the Listing Regulations.

Details, as required under the Companies Act, 2013 and Listing Regulations, in respect of Directors seeking appointment/re-appointment subject to the approval of shareholders at the ensuing AGM are given in the notice of AGM.

Changes in Key Managerial Personnel

Mr. Naresh Kapoor resigned as Company Secretary of the Company w.e.f. June 16, 2022. The Board placed on record its appreciation for the services provided by him during his association with the Company.

Ms. Sonal Tiwari was appointed as the Company Secretary of the Company w.e.f. December 10, 2022.

There has been no change in other Key Managerial Personnel of the Company during the year under review since the last report.

Evaluation of the Board's Performance

In compliance with the provisions of Companies Act, 2013 and Regulation 17(10) of the Listing Regulations, an annual evaluation of the performance of the Board, Individual Directors as well as evaluation of the working of its committees was carried out by an external agency during the year under review. The evaluation framework for assessing the performance of Directors including the Chairperson of the Board comprised of criteria such as quality of contribution to the Board deliberations, strategic inputs regarding growth of the Company and its performance, attendance at Board meetings and Committee meetings, independence of judgements, safeguarding the interest of the Company and commitment to stakeholders' interests.

The Board and Nomination and Remuneration Committee at their meetings held on May 18, 2023, based on the report of performance evaluation, determined as required under law that the appointment of all independent directors may continue.

Number of Board meetings conducted during the year under review

During the year under review, seven (7) Board meetings were held on May 17, 2022, August 03, 2022, August 10, 2022, November 08, 2022, December 10, 2022, February 14, 2023 and March 06, 2023. Facility to attend meetings through video conference mode was provided for all meetings of the Board. The details of the Board meetings and attendance of the Directors are provided in the Corporate Governance Report.

Composition of Committees

Audit Committee

As on March 31, 2023, Audit Committee comprises of 4 members with Mr. Shobinder Duggal, Independent Director as the Chairperson, Mr. Narayan K. Seshadri, Ms. Lisa J. Brown and Ms. Pia Singh as members. Further, details on the Committee meetings held are given in the Corporate Governance Report.

All recommendations of the Audit Committee were accepted by the Board.

Stakeholder's Relationship Committee

The Stakeholder's Relationship Committee comprises of 3 members with Dr. T.S. Balganesh, Independent Director as the Chairperson, Mr. Shobinder Duggal and Mr. Rajnish Sarna as the members. Further, details on the Committee meetings held are given in the Corporate Governance Report.

A detailed update on the Board, its composition, detailed charter including terms and reference of various Board Committees, number of Board and Committee meetings held during FY 2022-23 and attendance of the Directors at each meeting is provided in the Report on Corporate Governance, which forms part of this Report.

Directors Responsibility Statement

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, the Board hereby submits its responsibility statement: -

(a) in the preparation of the annual accounts for the year ended March 31, 2023, the applicable accounting standards had been followed;

(b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2023 and of the profit of the Company for that period;

(c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the Directors had prepared the annual accounts on a going concern basis;

(e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively ensuring the orderly and efficient conduct of its business including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information and

(f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

18. ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the copy of Annual Return in the prescribed form, which will be filed with Registrar of Companies/MCA, can be accessed at the Company's website i.e.
https://www.piindustries.com/investor-relations/co-go/annual-return

19. SECRETARIAL STANDARDS OF ICSI

The Company has devised proper systems and processes for complying with the requirements of applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems were adequate and operating effectively.

20. REMUNERATION POLICY OF THE COMPANY

The Remuneration Policy of the Company comprising the appointment and remuneration of the Directors, Key Managerial Personnel and Senior Executives of the Company including the criteria for determining qualifications, positive attributes, independence of a Director and other related matters have been provided in the Corporate Governance Report, which forms part of this Report.

'Caring', 'Creative', 'Courageous' and 'Curious' are our Values which guide and propel us towards living our Purpose of 'Reimagining a healthier planet'. Our work culture encourages innovation which in turn enables us to recharge, explore new opportunities, and deliver business goals. In this growth trajectory, our diverse human capital plays the most significant role. At PI, we are committed to attract, onboard, develop, engage, and retain diverse talent to ensure sustainable growth. Our talent philosophy offers all-round developmental opportunities for employees across the board. Our focus on technology driven processes & solutions encourages our employees to upskill themselves in the latest technological advancements in their domains. As an organization, we stay committed towards a strong employer brand, creating a diverse workforce, supporting the wellbeing of our people and care for their overall success.

Policy on Prohibition, Prevention and Redressal of Sexual Harassment at Workplace

The Company has a zero tolerance for any abuse against women at workplace. The Company has adopted a Policy on Prohibition, Prevention and Redressal of Sexual Harassment of Women at Workplace and matters connected therewith or incidental thereto covering all the aspects as required under the "The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013". The Company has constituted an Internal Complaints Committee (ICC) known as Prevention of Sexual Harassment (POSH) Committee to enquire into complaints of sexual harassment and recommend appropriate action. The Company received 3 (three) complaints under POSH during the financial year 2022-23. All the complaints were disposed of during the period and there were no complaints pending as on March 31, 2023.

Particulars of Employees and related disclosures

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report and annexed as **Annexure 'C'**. As per first proviso to Section 136(1) of the Act and second proviso of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the report and financial statements are being sent to the members of the Company excluding the statement of particulars of employees under Rule 5(2). However, these are available for inspection during business hours up to the date of the forthcoming AGM at the registered office of the Company. Any member interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office address of the Company.

Employee Stock Option Plan / Scheme

The Company discontinued the grant of stock options under PII-ESOP Scheme, 2010 in the year 2017 as per the recommendation(s) of Nomination and Remuneration Committee of the Board. However, the stock options already granted, vest as per the terms and conditions contained in the grant letter. As per the Company's ESOP scheme, options vest after a lock in period of one (1) year from the date of grant in a graded manner over the vesting period of four (4) years. The exercise price of stock options granted have been arrived by giving discount to the closing market price of the equity share on National Stock Exchange India Limited one day prior to the date of grant of option. No employee has been issued stock options equal to or exceeding 1% of the issued capital of the Company at the time of grant. Details of options as required under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 is uploaded at the Company's website i.e. https://www.piindustries.com/investor-relations/co-go/Other-Disclosures

During the year under review, there has been no change in the PII-ESOP Scheme, 2010. PII-ESOP Scheme, 2010 is in compliance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, and this has been certified by the secretarial auditor of the Company.

21. VIGIL MECHANISM – WHISTLE BLOWER POLICY

The Company has an established vigil mechanism for Directors and employees to report their genuine concerns, as approved by the Board on the recommendation of the Audit Committee. The Whistle Blower Policy of the Company is formulated and uploaded on the Company's website i.e.
https://www.piindustries.com/wp-content/uploads/2023/06/Whistle-Blower-Policy-updated.pdf

The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and provides for direct access to the Chairperson of the Audit Committee. It is affirmed that no personnel of the Company have been denied access to the Audit Committee.

22. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **Annexure 'D'** attached to this report.

23. CORPORATE SOCIAL RESPONSIBILITY ("CSR")

In accordance with the requirements of Section 135 of the Companies Act, 2013, the Company has a CSR Committee comprising four (4) members with Ms. Pia Singh as Chairperson, Mr. Mayank Singhal, Mr. Rajnish Sarna and Dr. T.S. Balganesh as Members. During FY 2022- 23, the Committee met four times. The details of meetings and attendance thereat forms part of the Annual Report on CSR activities furnished in **Annexure 'E'** attached to this report.

The CSR obligation of the Company for FY 2022-23 was ₹165.17 Million. As on March 31, 2023, total amount spent on CSR activities by Company was ₹137.24 Million. The unspent amount of ₹27.93 Million was transferred to "Unspent CSR Account" of the Company within a period of thirty days from the end of financial year.

In terms of the provisions of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Annual Report on CSR activities is annexed to this Report. Detailed information on CSR Policy, its salient features, CSR initiatives undertaken during the year, details pertaining to spent and unspent amount forms part of Annual Report on CSR activities.

The CSR policy is hosted on the Company's website i.e. https://www.piindustries.com/sustainability/CSR/CSR-Policy

Further, the Chief Financial Officer has certified that the funds disbursed have been utilised for the purpose and in the manner approved by the Board for the FY 2022-23.

24. CORPORATE GOVERNANCE

The Company takes pride in its Corporate Governance structure and strives to maintain the highest possible standards. A detailed report on the Corporate Governance code and practices of the Company along with a certificate from the auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated under Regulation 34 of SEBI (LODR) Regulations, 2015 forms part of the Report.

25. MANAGEMENT DISCUSSION AND ANALYSIS

A detailed report on the Management Discussion and Analysis is provided separately forms part of the Annual Report.

26. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

A separate section of Business Responsibility and Sustainability describing the initiatives taken by the Company from an environmental, social and governance perspective, forms part of this Annual Report as required under Regulation 34(2)(f) of Listing Regulations.

27. INCLUSION IN TOP 100 LISTED ENTITIES

The Company has been included in the list of top 100 listed entities as per market capitalization as on December 31, 2022.

28. GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review: -

a) Issue of equity shares with differential rights as to dividend, voting or otherwise.

b) Issue of shares (including sweat equity shares) to employees of the Company.

c) Neither the Managing Directors nor the Whole-time Director of the Company received any remuneration or commission from any of its subsidiaries.

d) No significant or material orders were passed by the Regulators or Courts or Tribunals, which impact the going concern status and Company's operations in future.

e) Other statutory disclosures

- The auditors, i.e., statutory auditors, secretarial auditors and cost auditors have not reported any matter under section 143(12) of the Act, and accordingly, details as required to be disclosed under section 134(3)(ca) of the Act, have not been furnished.
- There is no change in the nature of business of the Company during FY2022-23.
- A Cash Flow Statement for the FY 2022-23 is attached to the Balance sheet.
- The securities of the Company were not suspended from trading during the year.
- There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements are related and the date of the report.

29. ACKNOWLEDGEMENTS

Your Directors wish to express their grateful appreciation for the valuable support and co-operation received from bankers, business associates, lenders, financial institutions, shareholders, various departments of the Government of India, as well as the State Governments of Rajasthan & Gujarat, the farming community and all our other stakeholders.

Your Directors place on record their appreciation of the valuable contribution made by the employees of the Company.

The Board places on record its sincere appreciation towards the Company's valued customers in India and abroad along with its joint venture partners for the support and confidence reposed by them in the organization and looks forward to the continuance of this supportive relationship in the future.

Your Directors acknowledge the contribution and hard work of the employees of the Company and its subsidiaries at all levels, who, through their competence, hard work, solidarity and commitment have enabled the Company to achieve consistent growth.

On behalf of the Board
For **PI Industries Limited**

Sd/-
Narayan K. Seshadri
Chairperson
DIN: 00053563

Date: May 18, 2023
Place: Gurugram

Annexure - 'A'

FORM AOC-I
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries
(Information in respect of each subsidiary to be presented with amounts in ₹)

(₹ in Million)

S. No.	Particulars	Name of the subsidiaries						
		PI Life Science Research Ltd	PILL Finance and Investments Ltd	PI Health Sciences Ltd.	Jivagro Ltd	PI Bioferma Pvt. Ltd.	PI Fermachem Pvt. Ltd.	PI Japan Co. Ltd
1.	The date since when subsidiary was acquired	December 09, 2004	August 17, 1992	September 03, 2021	December 12, 2019	September 11, 2020	September 11, 2020	March 23, 2007
2.	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	₹	₹	₹	₹	₹	₹	JPY; 1 = 0.6160
4.	Share capital	14.97	3.60	245.00	1488	0.60	0.60	5.00
5.	Reserves & surplus	367.33	45.70	102.80	669	(0.27)	(0.25)	35.64
6.	Total assets	385.16	49.64	931.07	2816	0.43	0.43	46.67
7.	Total Liabilities	2.86	0.34	788.87	659	0.10	0.08	6.03
8.	Investments	147.67	7.51	Nil	Nil	Nil	Nil	Nil
9.	Turnover	58.68	2.04	Nil	2863	Nil	Nil	93.00
10.	Profit before taxation	55.33	0.80	(126.88)	227	(0.12)	(0.09)	4.43
11.	Provision for taxation	15.46	0.39	24.93	53	Nil	Nil	1.01
12.	Profit after taxation	39.87	0.41	(101.95)	174	(0.12)	(0.09)	3.42
13.	Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil
14.	Extent of shareholding (In %)	100%	100%	100%	100%	100%	100%	100%

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations: PI Bioferma Private Limited
PI Fermachem Private Limited
PI Health Sciences Limited

2. Names of subsidiaries which have been liquidated or sold during the year: Nil

Date: May 18, 2023
Place: Gurugram

On behalf of the Board of Director
For **PI Industries Limited**

Sd/-
Narayan K. Seshadri
Chairperson
DIN: 00053563

Part "B": Associates and Joint Ventures
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ in Million)

S. No.	Name of Associate Entity	Solinnos Agro Sciences Private Limited	PI Kumiai Private Limited
1.	Latest audited Balance Sheet Date	March 31, 2023	March 31, 2023
2.	Date on which the Associate was associated	May 02, 2016	July 04, 2017
3.	Shares of Associate held by the Company on the year end No. of shares (No.)	5,14,500 equity shares of ₹ 10/- each.	9,550,000 equity shares of ₹ 10/- each.
	Amount of Investment in Associates	5.15	95.50
	Extend of Holding (In percentage)	49 %	50 %
4.	Description of how there is significant influence	PI Life Science Research Ltd (wholly owned subsidiary Company of PI Industries Ltd.) holds 49% equity in Solinnos Agro Sciences Pvt. Ltd and 50% in PI Kumiai Private Ltd and accordingly able to participate in financial and operating policy decision making of the Company.	
5.	Reason why the associate/Joint venture is not consolidated	In case of Solinnos, control is with Mitsui Chemicals Agro Inc., Japan which holds 51% equity in the Company. In case of PI Kumiai, PI Life Science Research Ltd (wholly owned subsidiary Company of PI Industries Ltd.) hold 50% equity and 50% equity is held by Kumiai Chemical Industry Co. Ltd. Hence, same is not consolidated line by line and is accounted on equity basis only.	
6.	Net worth attributable to shareholding as per latest audited Balance Sheet	45.37	472.93
7.	Profit/(Loss) for the year	31.24	106.31
i.	Considered in Consolidation	15.31	53.155
ii.	Not Considered in Consolidation	15.93	53.155

1. Names of associates or joint ventures which are yet to commence operations. Nil
2. Names of associates or joint ventures which have been liquidated or sold during the year. Nil

Date: May 18, 2023
Place: Gurugram

On behalf of the Board
For **PI Industries Limited**

Sd/-
Narayan K. Seshadri
Chairperson
DIN: 00053563

Note: It is consolidated as per Equity method.

Annexure - 'B'

Form No.MR - 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

The Members,
PI Industries Limited,
Regd. Office: Udaisagar Road,
Udaipur – 313 001, Rajasthan
CIN : L24211RJ1946PLC000469

I have conducted the Secretarial Audit in respect of compliance with specific applicable statutory provisions and adherence to good corporate practices by **PI INDUSTRIES LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me with a reasonable basis for evaluating the corporate conduct / statutory compliance and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to me and the representations made by the Management, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

(i) The Companies Act, 1956 and Companies Act, 2013 ("the Acts') and the rules made thereunder, as applicable;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 – Not applicable as the Company has not issued any shares during the financial year under review;

d. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

e. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable as the Company has not issued any debt securities during the financial year under review;

f. Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – Not Applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review;

g. Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable as the Company has not delisted its equity shares from any stock exchange during the financial year under review and

h. Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998 - Not applicable as the Company has not bought back any of its securities during the financial year under review.

(vi) The Management has identified and confirmed the following laws as being specifically applicable to the Company:

a. Insecticides Act, 1968

b. Indian Boiler Act, 1923

c. Explosives Act, 1884

d. Poison Act, 1919

e. Hazardous Waste Management Rules 2016

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the financial year ended March 31, 2023 complied with the aforesaid laws.

Based on the information received and records made available, I further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors;

2. Adequate notice was given to all the Directors regarding holding of the Board Meetings. Agenda was sent in advance before the meeting. There exists a system for Directors to seek and obtain

further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting;

3. Decisions at the Board Meetings were carried through with requisite majority & recorded as part of the minutes of the meetings. (No dissent was there, nor any dissent recorded).

Based on the compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) of the Managing Director(s), Chief Financial Officer and Company Secretary taken on record by the Board of Directors at its meeting(s), I am of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with the specifically applicable laws, rules, regulations and guidelines as mentioned in this report and applicable general laws like labour laws, environmental laws, etc.

I further report that:

a) Dr. Raman Ramachandran (DIN: 00200297), resigned as Non-Executive Non-Independent Director of the Company w.e.f. July 01, 2022.

b) Ms. Pia Singh (DIN: 00067233) has been appointed as an Additional Director on the Board of the Company w.e.f. August 03, 2022. Her appointment was regularized by the shareholders at the AGM held on September 03, 2022.

c) Price Waterhouse Chartered Accountants LLP has been re-appointed as Statutory Auditors of the Company for a further period of five years w.e.f. April 01, 2022.

d) Mr. Narayan K. Seshadri (DIN: 00053563), has been appointed as Non-Executive Non-Independent Director on the Board of the Company w.e.f. September 06, 2022. Further payment of commission of ₹18 Million to Mr. Narayan K. Seshadri was approved by shareholders.

e) Approved the continuation Mr. Arvind Singhal (DIN:00092425), as Non-Executive Non-Independent Director on the Board of the Company after attaining the age of 75 years on November 29, 2022.

f) Mr. Shobinder Duggal (DIN: 00039580) has been appointed as an Additional Director on the Board of the Company w.e.f. November 12, 2021. His appointment was regularized by the shareholders at the AGM held on September 03, 2022.

g) Mr. Mayank Singhal (DIN : 00006651) was re-appointed as Vice Chairperson and Managing Director of the Company for a period of three years w.e.f. October 01, 2022.

h) Mr. Rajnish Sarna (DIN : 06429468) was re-appointed as Joint Managing Director of the Company for a period of three years w.e.f. November 07, 2022.

i) Mr. Naresh Kapoor resigned as Company Secretary of the Company w.e.f. June 16, 2022,

j) Ms. Sonal Ramanand Tiwari has been appointed as Company Secretary of the Company w.e.f. December 10, 2022.

Sd/-
R.S. Bhatia
Practicing Company Secretary
CP No: 2514 M. No. 2599
Peer review no.1496/2021
UDIN: F002599E000313096

Place: New Delhi
Dated: May 16, 2023
Note: This report is to be read with letter of even date by the Secretarial Auditor, which is annexed to this report and forms an integral part of this report.

ANNEXURE TO THE SECRETARIAL AUDIT REPORT

The Members,
PI Industries Limited,
Regd. Office: Udaisagar Road,
Udaipur – 313 001, Rajasthan.
CIN: L24211RJ1946PLC000469

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness, appropriateness and implications of financial records, Books of Accounts of the company and auditor's report, as this is the domain of the Statutory Auditors.

4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Sd/-
R.S. Bhatia
Practicing Company Secretary
CP No: 2514 M. No. 2599
Peer review no.1496/2021
UDIN: F002599E000313096

Place: New Delhi
Dated: May 16, 2023
Note: This report is to be read with letter of even date by the Secretarial Auditor, which is annexed to this report and forms an integral part of this report.

Annexure - 'C'

Statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013 read with Rule 5 of the Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014

1 The ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for the financial year 2022-23 as well as the percentage increase in remuneration of each Directors as under:

(Explanation: (i) the expression "median" means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one; (ii) if there is an even number of observations, the median shall be the average of the two middle values)

Name of Director	Ratio to Median Remuneration	% increase in remuneration over previous year
Non-Executive Directors		
Mr. Narayan K. Seshadri#[1]	36.44:1	45.32%
Mr. Arvind Singhal	5.52:1	45.22%
Dr. T.S. Balganesh	5.95:1	15.38%
Ms. Lisa J. Brown	5.91:1	55.65%
Mr. Shobinder Duggal	6.21:1	235.71%
Ms. Pia Singh[2]	5.75:1	-
Dr. Raman Ramachandran[3]	0.10:1	-
Mr. Pravin K. Laheri[4]	0.73:1	-
Ms. Ramni Nirula[5]	0.36:1	-
Executive Directors		
Mr. Mayank Singhal, Vice Chairperson & Managing Director	243.14:1	16.23%
Mr. Rajnish Sarna, Joint Managing Director	103.07:1	22.49%
Key Managerial Personnel		
Mr. Manikantan Viswanathan[6], Chief Financial Officer	41.95:1	5.83%
Ms. Sonal Ramanand Tiwari,[7] Company Secretary	7.37:1	-

Notes:

Remuneration to Non-Executive Directors comprises of Sitting fees and Commission.

Includes commission of ₹ 26 Million which shall be paid after seeking approval of shareholders at ensuing AGM.

1. Mr. Narayan K Seshadri (DIN: 00053563) completed his second consecutive term as an Independent Director of the Company and ceased to be Independent Directors of the Company from closing hours of September 05, 2022. Further, he has been appointed as a Non-Executive Non-Independent Director of the Company w.e.f. September 06, 2022 pursuant to approval granted by the shareholders in the AGM held on September 03, 2022.
2. Ms. Pia Singh was inducted as Non- Executive Non-Independent Director w.e.f September 03, 2022
3. Dr. Raman Ramachandran (DIN: 00200297) resigned from the position of Non- Executive Non-Independent Director on the Board from closing hours of June 30, 2022
4. Mr. Pravin K Laheri (DIN: 00499080) completed his second consecutive term as an Independent Director of the Company and ceased to be Independent Directors of the Company from closing hours of September 05, 2022.
5. Ms. Ramni Nirula (DIN: 00015330) completed her second consecutive term as an Independent Director of the Company and ceased to be Independent Directors of the Company from closing hours of September 05, 2022.
6. Mr. Rajiv Batra resigned from the position of Chief Financial Officer w.e.f. July 31, 2021 and Mr. Manikantan Viswanathan was designated as Chief Financial Officer w.e.f. August 01, 2021. Remuneration of both the persons have been considered on proportionate basis as per their term of office.
7. Mr. Naresh Kapoor resigned from the position of Company Secretary w.e.f. June 16, 2022 and Ms. Sonal Ramanand Tiwari was appointed as Company Secretary w.e.f. December 10, 2022. Remuneration of both the persons have been considered on proportionate basis as per their term of office.

2. The percentage increase in median remuneration of employees in Financial Year 2022-23: 12%

3. The number of permanent employees on the rolls of Company as on March 31, 2023: 3,384

4. Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

	Name of Director	% change in remuneration
a)	Average increase in salary of employees (other than managerial personnel)	12%
b)	Average increase in salary of managerial personnel	14%

The increment given to each individual employee is based on the employees' potential, experience, performance and contribution to the Company's progress over a period of time and also benchmarked against a comparable basket of relevant companies in India. It may however be noted that Executive Directors are also entitled to commission which is decided by Board on the basis of the recommendation(s) received from Nomination and Remuneration Committee.

5. Affirmation that the remuneration is as per the Remuneration Policy of the Company.

It is affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees, adopted by the Company.

On behalf of the Board
For **PI Industries Limited**

Sd/-
Narayan K. Seshadri
Chairperson
DIN: 00053563

Date: May 18, 2023
Place: Gurugram

Annexure - 'D'

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

[Pursuant to section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

(A) CONSERVATION OF ENERGY

Steps Taken or Impact on Conservation of Energy:

1. Under the continual energy conservation plan, the Company has continued to improve on energy efficiency & conservation efforts. Stricter efforts towards continuous monitoring and controls of energy utilization including generation & distribution had been in focus throughout.
2. With a view on long term sustainability, the Company has initiated steps towards utilizing alternate sources/ renewable source of energy.
3. Share of non-conventional renewable source of energy has gone up to 5.4% in 2022-23 against 4% 2021-22.

Steps taken during the year (2022-23) to conserve energy

i. Panoli Location:

   a. Efficiency improvement of Gas Generator sets through installation of fitch fuel catalyst in Natural Gas line with saving of 2.7% of Natural Gas fuel.

   b. 21% reduction in power consumption in existing cooling tower Fibre Reinforced Plastic fan by replacing with new aerodynamic E-GLASS EPOXY Fibre Reinforced Plastic fan.

   c. 16% power saving through automation in condensate make-up pump at Panoli site boiler.

   d. 40 Kwh/day power saving in pumping power through ON/OFF automation in Gujarat Industrial Development Corporation (GIDC) pump with respect to Reverse Osmosis plant feed water tank level.

   e. 3174 Kwh/annum power saving in compressor through installation of zero loss drain valve in place of On-off valve.

ii. Jambusar Location:

   a. 13% power saving by efficiency improvement of admin variable refrigerant volume: Heating, ventilation, and air conditioning system.

   b. 30% power saving in -35 Chilled brine secondary pumping power by flow optimization through installation of Pressure Transmitter in closed loop with Variable Frequency Drive.

   c. 10% power saving in raw water transfer pumping power by flow optimization through installation of Pressure Transmitter in closed loop with Variable Frequency Drive.

   d. 50% reduction in specific power consumption of breathing air compressor through installation of Variable Frequency Drive for optimization of compressor unload power & automation in start/stop of compressor through receiver tank pressure switch.

   e. 129 MWH renewable power generation through solar roof top panel in FY22-23.

   f. 879 Kwh/day power generation by installation of Back Pressure Steam turbine.

   g. 24% reduction in specific power consumption of -15 chilled brine secondary pump through flow optimization through installation of Variable Frequency Drive.

   h. 23% power saving in Breathing Air compressor power through installation of receiver between compressor & dryer.

   i. Power saving in Soft water transferring directly in cooling tower by gravity instead of pumping motor through pipeline modification. Resulting in saving of 77KWh/day power.

   j. 17% power saving in -35 Chilled brine pumping power by flow optimization through installation of Variable Frequency Drive.

Plans for the Year 2023-24

- Share of non-conventional renewable source of energy is being targeted to go up to 11 % in 2023-24.

   i. Roof top solar projects installation at Panoli plant for increasing the share of renewable power source.

   ii. To procure hybrid power through open access at Panoli sites.

   iii. Installation of Phase-2 solar roof top projects at Jambusar.

- Panoli Energy conservation initiatives for 2023-24:

   o Installation of New energy efficient Screw Chiller refrigerant media.

   o Installation of Variable Frequency Drives in Blowers for power saving.

   o Implementation of new insulation technique for reducing energy losses in piping network.

   o Use of Raw water in place of Demineralization water.

   o Implementation of Air purging system for Compressor.

   o Use of Gujarat Electric Board power to reduce auxiliary power wastage from Gas Generator Sets.

   o Use of steam from common utility system with reduction in losses

- Jambusar Energy conservation Initiatives for 2023-24:

   o Reducing specific power consumption of CT-4 cooling tower pump through Variable Frequency Drive rpm optimization in closed loop with line pressure transmitter.

   o Power saving in -15 chilled brine pumping power through flow optimization by controlling its Variable Frequency Drive rotation per minute in closed loop with Pressure Transmitter.

   o Power saving in 7 chilled water pumping power through flow optimization by controlling its Variable Frequency Drive rotation per minute in closed loop with Pressure Transmitter.

- o Power saving in process cooling water pumping power through flow optimization by controlling its Variable Frequency Drive rotation per minute in closed loop with Pressure Transmitter.
- o Reduce specific power consumption of Raw water pump through Variable Frequency Drive rpm optimization in closed loop with line pressure transmitter.
- o Installation of Pressure Transmitter in Demineralization water water transfer pump to make pump off when there is no use of Demineralization water water in plant.
- o Reduce specific power consumption of Chilled water primary pump through Variable Frequency Drive rpm optimization in closed loop with line pressure transmitter.
- o Reduce specific power consumption of utility cooling water pump through Variable Frequency Drive rpm optimization in closed loop with line pressure transmitter.

(B) TECHNOLOGY ABSORPTION

1. **Efforts made towards technology absorption**

   To enhance technological capabilities, various new technologies are being considered and developmental work both at R&D and scale up stage is initiated on the following areas:

   i. Vapour Phase Fluorination Chemistry synthesis has been developed for 2 Raw Materials viz, TFE & ETFA. Development work in 5 electronic & speciality chemicals is underway a R&D.

   ii. Demonstrated chemistry and engineering capabilities in scale-up and commercialization of complex chemistry involving in-situ generation and usage of toxic gas

   iii. Scale-up of new in-house Agrochemical molecule completed and material delivered for formulation development

   iv. Facility developed for high pressure oxidation involving toxic fluorinated compound.

   v. Gained customer confidence & demonstrated capabilities at scale-up and commercial level for new electronic molecules with stringent quality requirements

   vi. Developed facility for Vapour Liquid Equilibrium data generation

   vii. Continuous improvement in the commercial production processes has been made possible through technology absorption methods which include: -

      a. Flow-chemistry has been successfully commissioned at commercial scale for one product. The capability will result in improved productivity, reduction of risk and plant footprint. Further screening is on for few other molecules.

      b. LCMS: Installation completed at Jambusar site: LCMS will be used to perform in house analysis of decontamination samples of product changeover. This technology is helping to perform in house analysis which was earlier done at Udaipur and will provide support to all manufacturing sites.

2. **Benefits derived like product improvement, cost reduction, product development or import substitution:**

   i. Development of indigenous technology has led to cost reduction, use of environment friendly synthesis routes & conservation of foreign exchange

   ii. IP generation through new technology development by innovative solutions

   iii. Developmental processes have been initiated at lab scale. This will convert few batch processes into continuous uninterrupted processes which will ultimately result into consistency of the product under manufacture.

   iv. Training sessions among different groups of R&D have resulted in effective and innovative solutions

   v. Improvement in manufacturing processes for existing molecules and development of new products for exports have led to wider knowledge base and capability enhancement of the R & D staff

   vi. Successful development and commercialization of a product using cheaper hydrogenation catalyst

3. **Imported Technology: NIL**

4. **Expenditure on R&D**

(₹ in Million)

		Current year 2022-23	Previous year 2021-22
A	Capital Expenditure	425	185
B	Revenue Expenditure (including Depreciation)	1,431	1,189
C	Total	1,856	1,374
D	Total R&D expenditure as percentage of Revenue from Operations	2.96%	2.71%

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Details of total foreign exchange used and earned have been provided below:-

(₹ in Million)

	Current year 2022-23	Previous year 2021-22
Foreign Exchange Earned	51,898	38,007
Outgo of Foreign Exchange	16,434	15,303

On behalf of the Board
For **PI Industries Limited**

Sd/-
Narayan K. Seshadri
Chairperson
DIN: 00053563

Date: May 18, 2023
Place: Gurugram

Annexure - 'E'

PI ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR policy.

The CSR Policy sets out our commitment to ensuring that our activities extend beyond business and include initiatives and endeavours for the benefit and development of the community and society. The CSR Policy lays down the guidelines for undertaking programmes geared towards social welfare activities or initiatives.

Below is the CSR Policy as in Website.

CSR Policy

1. Our philosophy:

   Our CSR policy shall be directed towards inclusive development that creates value for the society, especially around our plant and farmers across the country.

   - Our goal is to ensure that our economic growth is socially and environmentally sustainable.
   - The CSR initiatives will be focused to enable the citizen to enjoy the benefits of science led innovations.
   - We will focus and support the communities in attaining Sustainable Development Goals.
   - We will support and supplement government programmes and initiatives.

2. **Our interventions:**

   - We shall part take part in the socio-economic developmental activities of the communities around our plant locations and area of operations, so that the weaker and marginalized sections of the society will have a sustainable higher income and better standard of living.
   - We will engage in projects ensuring environmental sustainability and conservation of limited natural resources. We will promote water conservation on mass scale.
   - We will enable through our CSR activities the local community access to basic amenities like safe drinking water, health and sanitation.
   - We will promote education and engage in employment enhancing vocational skills, especially to under privileged youth/students and farmers.
   - We will provide them sustainable livelihood options and handhold them through training and skill development.
   - We will engage in programmes enabling poverty eradication, increase in farm productivity and food security.
   - We will promote activities reducing inequalities faced by socially and economically backward groups.
   - We will engage in capacity building programmes of micro and small manufacturing units.
   - We will actively involve in rural development projects. In rural areas we will focus on rural infrastructure development activities like setting up of Distance Education Centres, Krishi Mitra Kendras/ Agri Clinics, Rural BPOs, Common Service Centres (CSCs) / Community Centres, Skill Development Centres, Adoption of Primary Health Centres, Village Roads, Street Lights, Watershed Development activities, Revival of Water bodies, Irrigation and Water Storage Structures, etc.
   - We will actively engage in programmes focusing on improving access to primary and secondary healthcare as well as integrating with govt. health schemes for tertiary care.
   - We will promote gender equality and empower women by engaging them in economic activities to create a sustainable base for earning.
   - We will involve in supporting the relief operations and responding to disaster like situations in the country.

3. Our Modalities of Execution

   - PI Industries will identify various developmental projects to participate and implement it either by the company directly or through PI Foundation or through an implementing agency in accordance with the provisions of Sec 135 of the Companies Act, 2013 read with CSR rules as amended from time to time.
   - The Company may collaborate with other companies to undertake CSR projects, provided the CSR Committees of the respective companies are able to report separately on such projects.
   - We will initiate public-private-community participation programmes, wherever required.
   - All our CSR projects will be in the form of development projects/programmes.

4. Governance and Monitoring

   - As prescribed under the Companies Act, 2013, the Board of Directors shall constitute a Corporate Social Responsibility Committee (CSR Committee) consisting of three or more directors, out of which at least one director shall be an independent director.
   - PI Foundation will work as per the advice of the PI CSR committee in executing the projects basis the annual action plan approved by the Board members.
   - The Board level Corporate Social Responsibility Committee of the Company shall be responsible for formulating and recommending to the Board the CSR policy and a CSR annual action plan, provided that the Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on reasonable justification to that effect.
   - Our CSR projects will have the following components:
     - Need based assessment/baseline survey/study
     - Clearly identified time frame
     - Specific Annual financial allocation
     - Clearly identified milestones
     - Clearly identified & measurable objectives /goals
     - Robust & periodic review & monitoring
     - Evaluation & impact Assessment by independent agencies every three years of execution.

- The Board of a company shall satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and the CFO or the person responsible for financial management shall certify to the effect.
- The Board shall monitor the implementation of the Project with reference to the approved timelines and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

5. **CSR Expenditure**

- The surplus arising out of the CSR activities shall be ploughed back into the same project, or shall be transferred to the Unspent CSR Account and shall be spent in pursuance of this CSR policy and approved annual action plan.
- PI Foundation may transfer such surplus amount to a Fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year.
- Any excess amount spent on CSR activities may be set off against the requirements to spend in the succeeding financial years in accordance with the applicable CSR provisions.
- Any unspent amount, other than unspent amount relating to an ongoing project, will be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
- Further, unspent CSR funds of ongoing projects will be transferred within a period of 30 days from the end of the financial year to a special account opened by the company in any scheduled bank called the "Unspent Corporate Social Responsibility Account". Such amount shall be spent by the company towards CSR within a period of 3 financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of 30 days from the date of completion of the third financial year.

6. **Impact assessment**

When average CSR obligation of the Company is Rupees 10 Crores or more in pursuance of Section 135(5) of the Companies Act, 2013 in the three immediately preceding financial years, it shall carry out an impact assessment for projects having outlays of one crore rupees or more in the following manner :-

a) Impact assessment shall be undertaken through an independent agency, if one year is elapsed post completion of project.

b) The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.

c) Expenses incurred for undertaking impact assessment may be booked towards Corporate Social Responsibility expenditure for that financial year; such that it shall not exceed two percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is higher.

7. **Review**

- PI CSR Policy shall be subject to review every 3 years and shall be subject to changes as per the amendments in Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014.

Note: The above policy is amended up to date with last amended by board in its meeting held on November 8, 2022.

2. The Composition of the CSR Committee as on March 31, 2022

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Pia Singh	Independent Director	4	2*
2.	Mayank Singhal	Vice Chairperson & Managing Director	4	4
3.	Rajnish Sarna	Joint Managing Director	4	4
4.	Dr.TS Balganesh	Independent Director	4	2*

*Ms. Pia Singh & Dr. TS Balganesh were inducted as committee members on August 10,2022.

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

https://www.piindustries.com/sustainability/CSR/CSR-Policy

https://www.piindustries.com/sustainability/CSR/PI-Foundation

https://www.piindustries.com/sustainability/CSR/CSR-Newsletters

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

Impact Assessment conducted for DSR Project .

(In Million)

S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project(Survey Locations)		Project duration	Amount allocated for the project	Amount spent in the current financial Year*	Amount transferred to Unspent CSR Account for the project as per Section 135(6)*	Mode of Implementation- Direct (Yes/ No)	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration number
1	Impact Assessment Study Conducted for DSR Project	Environmental sustainability through conservation of natural resources & Sustainable Farming Practices	No	Haryana, Punjab, Chhattisgarh, Andhra Pradesh, Telangana, Karnataka	Balod, Bemetra, Dhamtari,Durg, Kabirdham, Kawardha , Mahasamundra, Raipur, Rajnandgoan,Bhatinda, Moga, Firozpur and Faridkot,Mandaya,Ambala, Fathehabad, Hisar, Jind, Kaithal, Karnal, Kurukshetra, Panipat and Sonepat,Vijayanagaram, Krishna and Nandyala,Khamnam	1 year* FY22-23	1,000,000	989,350	10,650	No	Innovative Financial Advisor Pvt. Ltd.	

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.

S. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
		NONE	

6. Average net profit of the company as per section 135(5): ₹ 8,258,700,000

7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 165,174,200
(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: None
(c) Amount required to be set off for the financial year: None
(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 165,174,200

8. (a) CSR amount spent Average net profit of the company as per section 135(5): ₹ 8,258,700,000 or unspent for the financial year:

Total Amount Spent for the Financial Year (in ` Million)	Amount Unspent (in ` Million)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
137,238,277	27,935,923	April 26, 2023	Nil	Nil	Nil

(b) Details of CSR amount spent against ongoing projects for the financial year:

S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration (in months)	Amount allocated for the project (in Million)	Amount spent in the current financial Year (in Million)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Million)	Mode of Implementation- Direct (Yes/ No)	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration number
1	Integrated Pest Management of Black Thrips in Chilli (Operation Nalla Tamara Purgu)	Environmental sustainability through conservation of natural resources & Sustainable Farming Practices	No	Andha Pradesh, Telangana	Guntur, Prakasham, Bapatla,Krishna ,NTR, East Godavari ,Bhadrachalam, Mahabubabad & Khammam	18 months	5.06	5.06	NA	No	South Asia Biotechnology Centre/ PI Foundation	CSR00004213
2	Project Sahyog(Awareness about use of agrochemicals)	Environmental sustainability through conservation of natural resources & Sustainable Farming Practices	No	Punjab & Haryana	Amritsar, Bhatinda, Gurdaspur,Hosiyarpur,Jalandhar, Khanna,Khanar,Ludhiana,Moga, Patiala,Karnal,Ludhiana,Hisar,	6 months	22.00	21.90	0.09	No	Roots Foundation	CSR00003726
3	Vocational Training Program on Chemical Plant Operations, QA & QC.	Education, Skill Development and Livelihoood Enhancement Program	Yes	Gujarat	Nadiad	60 months	5.17	4.71	0.45	No	Anchor Institute Chemical & Petrochemicals of Dharmsinh Desai University/PI Foundation	CSR00004213
4	Employability cum Skill Training Centre at Jambusar	Education, Skill Development and Livelihood Enhancement Program	Yes	Gujarat	Bharuch	24 months	7.52	2.11	0.01	No	Rural Shores Foundation /PI Foundation	CSR00004213
5	Imparting quality education & vocational training for rehabilitation of differently abled children	Education, Skill Development and Livelihood Enhancement Program	No	Rajasthan	Udaipur	36 months	3.00	3.00	NA	No	Viklang Kalyan Samiti /PI Foundation	CSR00004213
6	Project Digital Shaala	Education, Skill Development and Livelihood Enhancement Program	No	Madhya Pradesh	Morena & Sheopur	15 months	8.00	8.00	NA	No	Muskaan Dream Creative Foundation	CSR00005242

S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration (in months)	Amount allocated for the project (in Million)	Amount spent in the current financial Year (in Million)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Million)	Mode of Implementation- Direct (Yes/ No)	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration number
7	Prime Minister's Fellowship Scheme for Doctoral Research for Agricultural Chemistry	Education, Skill Development and Livelihood Enhancement Program	No	New Delhi	Delhi	48 months	1.16	1.16	NA	NO	Confederation of Indian Industry & Indian Agricultural Research Institute /PI Foundation	CSR00004213
8	Project Asmita - Empowerment of Women	Women Empowerment	Yes	Gujarat	Bharuch	24 months	2.00	1.99	0.008	No	Aatapi Seva Foundation	CSR00001876
9	Tree Plantation & Developing Green Cover	Environmental sustainability through conservation of natural resources & Sustainable Farming Practices	Yes	Gujarat	Bharuch	24 months	11.50	10.15	1.35	No	Notified Area Authority, Panol, Gujarat Industrial Development Cooperation/PI Foundation	CSR00004213
10	Annual Maintenance of 5 oxygen plant	Health, Hygiene and Sanitation	Yes	Gujarat	Bharuch	12 months	1.40	1.38	0.019	No	Airro Engineering Co. ./PI Foundation	CSR00004213
11	Donation to Singhal Foundation	Health, Hygiene and Sanitation	Yes	Rajasthan	Udaipur	12 months	5.00	5.00	NA	No	Singhal Foundation/ PI Foundation	CSR00004213
12	Upkeeping & Maintenance of School Toilets constructed under Swachh Bharat Abhiyan Programme (in 12 Schools)	Health, Hygiene and Sanitation	Yes	Gujarat	Bharuch	24 months	0.36	0.33	0.03	Yes	PI Foundation	CSR00004213

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (In Million)	Amount spent in the current financial Year (In Million)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (In Million)	Mode of Imple-men-tation - Direct (Yes/ No)	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration number
1	World Environment Day & Festival of Education 2022	Environmental sustainability through conservation of natural resources & Sustainable Farming Practices	No	Rajasthan	Udaipur	3 months	1.00	1.00	NA	No	Rajasthan Environ-ment & Energy Conserva-tion Cent/PI Foundation	CSR00004213
2.	Grant for Education	Education, Skill Development and Livelihood Enhancement Program	No	Gujarat	Ahmedabad	11 months	1.00	1.00	NA	No	Su Sikshan Education Research & Charitable Trust /PI Foundation	CSR00004213
3	Support to establish Agriculture Demonstration Project through Innovative Farming Practices	Environmental sustainability through conservation of natural resources & Sustainable Farming Practices	Yes	Gujarat	Bharuch	12 months	1.00	0.91	87,810	No	Krishi Utkarsh Kiran Pahel ,District Panchayat, Bharuch /PI Foundation	CSR00004213
4	Saving Little Hearts	Health, Hygiene and Sanitation	No	Tamil Nadu	Chennai	3 months	4.5	4.5	NA	No	Aishwarya Trust	CSR00001299
5	Health Related Project(with Dr. Bhabha Das Foundation)	Health, Hygiene and Sanitation	No	Assam	Guwhati	5months	2.00	2.00	NA	No	Dr. Bhabha Das Foundation/ PI Foundation	CSR00004213
6	Supporting Integrated Drinking Water Project at Plant Locations - Jambusar (In the Villages under Swajal dhara programme)	Health, Hygiene and Sanitation	yes	Gujarat	Bharuch	6 months	1.00	0.85	0.15	Yes	PI Foundation	CSR00004213

S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (In Million)	Amount spent in the current financial Year (In Million)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (In Million)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration number
7	Adoption of Primary Schools (Distribution of Notebooks & writing material to 6000 (approx) children in 24 schools)	Education, Skill Development and Livelihood Enhancement Program	Yes	Gujarat	Bharuch	2 months	0.750	0.71	0.03	Yes	School Management committee & PI Foundation	CSR00004213
8	Development of Rural Roads in Jambusar	Rural Development	Yes	Gujarat	Bharuch	2 months	56.70	56.14	0.55	Yes	PI Foundation through Shangrila Construction	CSR00004213
9	Support to surrounding villages around Plant Location through CSR project(Includes following activities) -Strengthening of Community Centre at Sarod Vanta -Development of children park at Vedach -Support to District Collectorate, Udaipur for Scout and Guide program -Support to Rotary Bharuch Femina on awareness on no use of Plastic -Support to Kapodara Gram Panchayat -Support to Panoli Police Station	Rural Development	Yes	Gujarat	Bharuch	6 months	1.20	0.98	0.21	Yes	PI Foundation	CSR00004213
10	Development of CSR Film for awareness	Miscellaneous	Yes	Gujarat	Bharuch	1 year	1.00	0.96	0.035	No	Integral Media Solutions/ PI Foundation	CSR00004213

(d) Amount spent in Administrative Overheads : ₹ 4.75

(e) Amount spent on Impact Assessment, if applicable : ₹ 0.98

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹ 137.23

(g) Excess amount for set off, if any : Nil

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	165,174,200
(ii)	Total amount spent for the Financial Year	137,238,277
(iii)	Excess amount spent for the financial year [(ii)-(i)]	(27,935,923)
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years:

S. No.	Preceding Financial Year	Transferred to Unspent CSR Account under section 135 (6) (in ` Million)	Amount spent in the reporting Financial Year (in ` Million)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in ` Million)
				Name of the Fund	Amount (in ` Million)	Date of transfer	
1.	2021-22	Nil	42.01	NA	NA	NA	NA
2.	2020-21	Nil	9.065	NA	NA	NA	NA

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

1	2	3	4	5	6	7	8	9
Sl. No	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration	Total amount allocated for the project (in Million)	Amount spent on the project in the reporting Financial Year (in Million)	Cumulative amount spent at the end of reporting Financial Year (in Million)	Status of the project - Completed /Ongoing
01		Sustainable production of cotton through eco-friendly technology	2021-22	2 years	12.00	15.00	23.55	Completed
02		Preventive Health Care through three Mobile Medical Unit (MMU) facility	2021-22	2 years	10.20	10.52	20.71	Ongoing
03		Support to Women Small Farm Holders & Workers under Dairy Value Chain- Women Entrepreneurship and initiating Cattle Feed Centres	2021-22	2years	8.90	7.67	16.38	Ongoing
04		Improving learning outcomes in school children for 81 villages in 135 schools of Jambusar	2021-22	2 years	9.85	6.40	12.42	Ongoing
05		Employability cum Skill Training Centre at Jambusar	2021-22	3 years	6.16	0.40	6.36	Ongoing
06		Project Vriddhi	2020-21	3 years	7.54	3.63	7.54	Ongoing
07		Employability cum Skill Training Centre at Jambusar	2020-21	3 years	5.00	5.00	9.90	Ongoing

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): Not Applicable

(a) Date of creation or acquisition of the capital asset(s).

(b) Two percent of average net profit of the company as per section 135(5) Amount of CSR spent for creation or acquisition of capital asset.:

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.:

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).:

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): The Company has spent 13.72 crore in FY22-23 & has spent the unutilised amount 5.1 crore of the preceding years i.e. FY20-21 & FY21-22. The remaining 2.79 crore will be utilized in the ongoing project in FY23-24.

On behalf of the Board of Directors

Date: May 18, 2023
Place: Gurugram

Sd/-
Mayank Singhal
Vice Chairperson & Managing Director
DIN: 00006651

Sd/-
Pia Singh
Chairperson- CSR Committee
DIN: 00067233

Annexure A

Executive Summary of Impact Assessment

Water Conservation through Accelerating the Adoption of Direct Seedling of Rice (DSR) Technology

Introduction:

Direct seeded rice (DSR) is considered an efficient, sustainable, and cost-effective rice production system with advantages such as reduced labor and water requirements, early crop maturity, lower production costs, better soil conditions, reduced methane emissions, and flexibility in cropping systems. This initiative was implemented in 6 states by i.e., Karnataka, Andhra Pradesh, Telangana, Haryana, Chhattisgarh, and Punjab and 27 districts.

The impact evaluation is based on the survey conducted with 922 farmers, 14 government agriculture officials, and representatives of the implementing partner (Roots Foundation) using questionnaires and schedules which were pre-tested in Haryana, and administered using the CAPI method and the KOBO Collect application.

Brief About Sample:

It predominantly consisted of 97 % male farmers with an average age of 45. The majority of them stated that farming as their primary source of income, had agricultural land and cultivated paddy.

Approximately 40 % of farmers are reportedly using DSR technology (encouraged through training and demonstration), while 42 % have never used it due to a lack of understanding or preference for conventional methods, and 17 % have used it in the past but stopped.

Impact:

- Around 90 % of them found the DSR to be beneficial that it saves time and money compared to traditional techniques,
- Resulted in a 7.7 % reduction in irrigation water use & leading to energy savings, reduced labour costs by 6.4 %,
- Overall cost reduced by 2 % (seeds, fertilizers, diesel, electricity, etc.).

Based on the study's findings, it was recommended that best practices, success stories, and informative videos be recorded in the local language, helplines to be set up to address the queries, offer training on weeding and nutritional management to encourage the use DSR techniques.

Corporate Governance Report

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

PI strongly believes in enhancing the stakeholder's value through good corporate governance practices which not only involves transparency, empowerment, accountability and integrity but also trust, speed, innovation and adoptability that has been the key enabler in inculcating stakeholders trust & confidence, attracting & retaining financial & human capital over the years. The Company's overall governance framework, systems and processes reflect and support our Mission, Vision and Values. The Company is constantly striving to better them and adopt the best corporate practices and it believes that good Corporate Governance is essential for achieving long-term corporate goals and to enhance stakeholders' value.

The Company is following the requirements mandated by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Companies Act, 2013, as amended (the 'Act'). The Company's corporate governance practices and disclosures are well beyond complying with the minimum statutory and regulatory requirements stipulated in the applicable laws. A Report on compliance with the Corporate Governance provisions as prescribed under the Listing Regulations is given herein below:

2. BOARD OF DIRECTORS

Composition

Keeping with the commitment to the principle of integrity and transparency in business operations for good corporate governance, the Company's policy is to have an appropriate blend of independent and non-independent directors to maintain the independence of the Board and to separate the Board functions of governance and management. The Company conforms to the provisions of the Companies Act, 2013, Listing Regulations. Our Board consists of eminent persons with considerable professional expertise and experience, provides leadership and guidance to the management, thereby enhancing stakeholders' value.

As on March 31, 2023, the Board comprised of (8) eight Directors, out of which (6) six are Non-Executive Directors and (2) two are Executive Directors including Vice Chairperson and Managing Director and Joint Managing Director. The Chairperson of the Board is a Non-Executive Non-Independent Director. The Board comprises of (4) four Independent Directors (including (2) two women Independent Directors), constituting half of the Board strength which meets the requirements of the Companies Act, 2013 and the Listing Regulations.

The name and category of Directors, their attendance at the Board Meetings held during the year and at the last AGM along with the position of Board/Committee membership held by them is detailed below:

Name of Director & Designation	Category	No. of positions held		No. of Board Meetings Attended during FY 2022-23	Presence at last AGM
		Board^	Committees^^ Member (Chairperson)		
Mr. Narayan K. Seshadri, Chairperson[1] DIN 00053563	Non-Executive & Non-Independent	8	6(1)	7	Yes
Mr. Mayank Singhal, Vice Chairperson & Managing Director DIN 00006651	Promoter and Executive	4	0(0)	6	Yes
Mr. Rajnish Sarna, Joint Managing Director DIN 06429468	Executive	5	1(0)	7	Yes
Mr. Arvind Singhal, Director DIN 00092425	Non-Executive & Non-Independent	4	0(0)	6	Yes
Dr. T.S. Balganesh, Director DIN 00648534	Independent	3	1(1)	6	No
Ms. Lisa J. Brown, Director DIN 07053317	Independent	1	1(0)	7	Yes
Mr. Shobinder Duggal, Director[2] DIN 00039580	Independent	3	4(2)	7	Yes
Ms. Pia Singh, Director[3] DIN 00067233	Independent	2	1(0)	5	Yes
Dr. Raman Ramachandran, Director[4] DIN 00200297	Non-Executive & Non-Independent	-	-	1	-
Ms. Ramni Nirula, Director[5] DIN 00015330	Independent	-	-	1	Yes
Mr. Pravin K. Laheri, Director[6] DIN 00499080	Independent	-	-	3	Yes

^. Includes position held in PI but excludes position of directorships held in Private Limited Companies, Foreign Companies and Government Bodies. As per declarations received, no director serves as an independent director in more than seven equity listed companies or in more than three equity listed companies if he/she is a whole-time director/managing director in any listed company

^^ Only Audit Committee and Stakeholders' Relationship Committee have been considered for the Committee positions. None of the Directors on the Board is a member of more than 10 committees or Chairperson of more than 5 committees across all companies in which he/she is a Director.

1. Mr. Narayan K Seshadri (DIN: 00053563) completed his second consecutive term as an Independent Director of the Company and ceased to be Independent Directors of the Company from closing hours of September 05, 2022. Further, he has been appointed as a Non-Executive Non-Independent Director of the Company w.e.f. September 06, 2022 pursuant to approval granted by the shareholders in the AGM held on September 03, 2022.
2. Mr. Shobinder Duggal (DIN: 00039580) was inducted as Additional Director on Board on November 12, 2021. Further, his appointment was regularised in the AGM held on September 03, 2022.
3. Ms. Pia Singh (DIN: 00067233) was inducted as an Additional Director on the board w.e.f. August 03, 2022. Further, her appointment was regularised in the AGM held on September 03, 2022.
4. Dr. Raman Ramachandran (DIN: 00200297) resigned from the position of Non- Executive Non-Independent Director on the Board w.e.f. July 01, 2022 to pursue other interests in Management and Coaching. He has confirmed that there is no other material reason for resignation other than that mentioned in her resignation letter. The Board placed on record its appreciation for the services provided by him during his association with the Company.
5. Ms. Ramni Nirula (DIN: 00015330) completed her second consecutive term as an Independent Director of the Company and ceased to be Independent Directors of the Company from closing hours of September 05, 2022. The Board placed on record its appreciation for the services provided by her during his association with the Company.
6. Mr. Pravin K Laheri (DIN: 00499080) completed his second consecutive term as an Independent Director of the Company and ceased to be Independent Directors of the Company from closing hours of September 05, 2022. The Board placed on record its appreciation for the services provided by him during his association with the Company.

Notwithstanding the number of directorships, as highlighted herein, the outstanding attendance record and participation of the directors in Board/Committee meetings indicates their commitment and ability to devote adequate time and efforts to their responsibilities as Board/Committee members.

Name of listed companies and category of directorship held by Directors is appended as **Annexure 'I'.**

Relationship between the Directors inter-se

Mr. Arvind Singhal, Director is uncle of Mr. Mayank Singhal, Vice Chairperson & Managing Director. None of the other Directors are related to any other Director on the Board.

Independent Directors

None of the Independent Director on the Board of the Company serve as an Independent Director in more than seven (7) listed companies nor holds the position of Whole-time Director in any listed company. Independent Directors of the Company have been appointed in accordance with the applicable provisions of the Companies Act, 2013 ("Act") read with relevant rules. Formal letters of appointment as per Schedule IV of the Act have been issued to the Independent Directors and the terms and conditions of their appointment have been disclosed on the Company's website i.e.

https://www.piindustries.com/wp-content/uploads/2023/07/PI_Terms-Appointment-of-Ind-Director_revised_clean.pdf

The maximum tenure of Independent Directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Act.

Board Meetings

The Board meets at regular intervals to review the performance of the Company. During the year under review, seven (7) Board meetings were held on May 17, 2022, August 03, 2022, August 10, 2022, November 08, 2022, December 10, 2022, February 14, 2023 and March 06, 2023. The maximum gap between any two Board meetings was less than 120 days. All the meetings of Board of Directors during the year except meeting no. 4/2022-23 dated November 08, 2022, were held through Video Conferencing mode.

Board procedure

The annual calendar of the Board/ Committee meetings is agreed upon by the Board members one year in advance. The agenda backed by comprehensive information is circulated well in advance to the Board members. The facility to participate through video-conference is provided to Board/ Committee members, who are unable to attend in person. In addition to the information required under Part A of Schedule II of Regulation 17(7) of Listing Regulations, the Board is kept informed of major events/items and approvals taken wherever necessary. Board also reviews the status of the compliances relating to various applicable laws and the steps taken by the Company to rectify the instances of non-compliance, if any. The Board critically evaluates the Company's strategic directions, management policies and their effectiveness. The Board regularly reviews inter-alia, industry environment, annual business plans and performance against the plans, business opportunities including investments/ divestment, related party transactions, compliance processes including material legal issues, strategy, risk management practices and approval of financial statements. Senior Executives are also invited to provide additional inputs at the Board meetings for the items discussed by the Board of Directors, as and when required. Frequent and detailed interaction provides a strategic road map for the Company's future growth. Compliance certificate with regard to compliance with applicable laws duly signed by the Vice Chairperson & Managing Director, Chief Financial Officer and Company Secretary is placed before the Board on quarterly basis.

Separate meeting of Independent Directors

A separate meeting of Independent Directors was held on March 27, 2023 without the attendance of Non-Independent Directors and members of the Management as required under Schedule IV to the Companies Act, 2013 and Regulation 25(3) of the Listing Regulations. The Independent Directors deliberated upon the quality, quantity and timeliness of flow of information between the Company's management and the Board of Directors, and to review the performance of Non-Independent Directors, the Board as a whole and the Chairperson The Lead Independent Director updates the Board about the outcome of the meetings apart from meeting the Executive Directors on one-to-one basis giving the feedback on their performance and action, if any, required to be taken by the Company.

Familiarization programme

The Company has adopted a well-structured induction programme for orientation and training of Directors at the time of their joining so as to provide them with an opportunity to familiarise themselves with the Company, its management, its operations and the industry in which the Company operates. The induction programme includes one-to-one interactive sessions with the senior management team, business and functional heads among others and also includes visit to plants to understand the operations and technology. Apart from the induction programme, the Company periodically presents updates at the Board /Committee meetings to familiarise the Directors with the Company's strategy, business performance, operations, R&D, finance, compliance, risk management framework, human resources and other related matters. The Board has an active communication channel with the executive management, which enables Directors to raise queries, seek clarifications for enabling a good understanding of the Company and its various operations. Quarterly updates press releases and regulatory updates are regularly circulated to the Directors to keep them abreast on significant developments in the Company. Detailed familiarisation programme for Directors is available on the Company's website i.e.

https://www.piindustries.com/Media/Documents/Familiarisation%20program%20for20directors.pdf

Skill /expertise/competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the board with effect from the financial year ended March 31, 2023.

The Board comprises of individual members possessing the required skill/expertise/competencies in business management, M&A, finance & tax, technology, corporate governance, risk management, govt./public policy, marketing/ sales, human capital/compensation, industry experience, legal & regulatory affairs. Skill matrix for individual Directors is appended as **Annexure 'II'.**

In the opinion of the Board, the Independent Directors fulfil the conditions specified in the Listing Regulations and are independent of the management.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of Listing Regulations, the Company has laid down the manner and criteria in which formal annual evaluation of the performance of the Board, its Committees, Chairperson and Individual Directors has to be made. The Company has engaged an independent external agency for Board evaluation. It includes circulation of evaluation forms separately for evaluation of the Board and its Committees, Independent Directors/ Non-Executive Directors/Executive Director and the Chairperson of the Company and further one-on-one discussion with Directors to capture their contextual and qualitative feedback. Other than Chairperson of the Board and NRC, no other Director has access to the individual ratings given by directors.

The performance of Non-Independent Directors, the Board as a whole, and the Chairperson of the Board has been reviewed by Independent Directors in a separate meeting.

The criteria for performance evaluation of Board, including its Committees, Chairperson and individual directors broadly covers various aspects, including inter-alia degree of fulfilment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning, long term strategic planning, meeting frequency, agenda discussion etc. The performance of Executive Directors was evaluated on the parameters such as performance for area of responsibility, board support and team building. The performance of Independent Directors was evaluated on the parameters such as preparation and participation, personality and conduct, effectiveness as a board members and quality of value addition.

3. COMMITTEES OF THE BOARD

The Board of Directors has constituted following Committees of Directors with adequate delegation of powers to discharge urgent business requirements of the Company:

i. Audit Committee

ii. Nomination and Remuneration Committee

iii. Stakeholder's Relationship Committee

iv. Corporate Social Responsibility Committee

v. Risk Management Committee

vi. Administrative Committee

vii. M&A Committee

The Board is responsible for constituting, assigning and appointing the members of the Committees. The detailed composition, terms of reference and other details of the Committees are as under:

i) AUDIT COMMITTEE

Composition and attendance

The Audit Committee presently comprises of 4 members, out of which 3 members are Independent Directors and one is a Non-Executive Non-Independent Director. The Chairperson of the Committee is an Independent Director. All the members of the Audit Committee are Non-Executive Directors and are 'financially literate' as required under the provisions of Act and Regulation 18(1)(c) of Listing Regulations. Moreover, the Chairperson and the members of the Audit Committee have accounting and financial management expertise. It is to be noted that though the Act and Listing Regulations require a minimum of three members in the Audit Committee, the Company by way of good corporate governance has an additional Independent Director as a member – making Independent Directors majority of 75%.

The Vice Chairperson & Managing Director, the Joint Managing Director and the Chief Financial Officer, the Head of Internal Audit and the representatives of the Statutory Auditors and Internal Auditors are permanent invitees to meetings of the Audit Committee. The Company Secretary acts as the Secretary to the Committee.

During the financial year ended March 31, 2023, the Committee met four (4) times on May 16, 2022, August 02, 2022, November 07, 2022 and February 14, 2023 and the gap between two meetings did not exceed 120 days in compliance with the Listing Regulations.

The composition and attendance record of the members of the Audit Committee for the financial year 2022-23 is as follows:

Name of Director	Category	Number of meetings held during the financial year 2022-23 : (4) Four	
		Entitled to attend	Attended
Mr. Shobinder Duggal, Chairperson (appointed as chairperson w.e.f. August 10, 2022 and member w.e.f. August 01, 2022)	Independent Director	3	3
Ms. Pia Singh(appointed as a member w.e.f. August 10, 2022)	Independent Director	2	2
Ms. Lisa Brown (appointed as member w.e.f. August 10, 2022)	Independent Director	2	2

Name of Director	Category	Number of meetings held during the financial year 2022-23 : (4) Four	
		Entitled to attend	Attended
Mr. Rajnish Sarna (ceased to be member w.e.f. August 10, 2022)	Executive Director	2	2
Mr. Narayan K. Seshadri (ceased to be chairperson w.e.f. August 10, 2022)	Non-Executive & Non- Independent Director	4	4
Ms. Ramni Nirula (ceased to be member w.e.f. August 10, 2022)	Independent Director	2	1

The Chairperson of the Audit Committee, Mr. Shobinder Duggal was present at the AGM of the Company held on September 03, 2022.

The terms of reference of the Committee are in accordance with the Act and Listing Regulations. These broadly include oversight of the Company's financial reporting process and disclosure of its financial information, review of financial statements, review of compliances and review of systems and controls, approval or any subsequent modification and review of transactions with related parties, as amended. The detailed terms of reference of the Committee can be accessed at Company's website i.e.

https://www.piindustries.com/Media/Documents/PI_Audit%20Committee_Terms%20of%20Reference.pdf

ii) NOMINATION AND REMUNERATION COMMITTEE (NRC)

Composition and attendance

The Nomination and Remuneration Committee presently comprises of 3 Independent Directors and 1 Non-Executive and Non-Independent Director. The Company Secretary acts as Secretary to the Committee.

During the financial year ended March 31, 2023, the Committee met five (5) times on May 16, 2022, August 02, 2022, August 10, 2022, November 07, 2022 and December 10, 2022. The composition and Attendance record of the members of the Nomination and Remuneration Committee for the financial year 2022-23 is as follows:

Name of Director	Category	Number of meetings during the financial year 2022-23 : (5) five	
		Entitled to attend	Attended
Ms. Lisa Jane Brown, Chairperson (inducted as a member w.e.f. August 01, 2022 and Chairperson w.e.f. August 10, 2022)	Independent Director	4	4
Mr. Narayan K. Seshadri	Non-Executive & Non- Independent Director	5	5
Ms. Pia Singh (inducted as a member w.e.f. August 10, 2022)	Independent Director	2	2
Dr. T. S. Balganesh (inducted as a member w.e.f. August 10, 2022)	Independent Director	2	2

Name of Director	Category	Number of meetings during the financial year 2022-23 : (5) five	
		Entitled to attend	Attended
Mr. Arvind Singhal (ceased to be member w.e.f. August 10, 2022)	Non- Executive & Non-Independent Director	2	2
Ms. Ramni Nirula (ceased to be Chairperson w.e.f. August 10, 2022)	Independent Director	3	1
Mr. Pravin K. Laheri (ceased to be member w.e.f. August 10, 2022)	Independent Director	3	3

The Chairperson of the NRC, Ms. Lisa Jane Brown was present at the AGM of the Company held on September 03, 2022.

The Company has in place performance evaluation criteria for Board, Committees, Chairperson and Directors. The criteria for evaluation of independent directors, inter alia, includes attendance and participation, acting in good faith, openness to ideas, pro-active and positive approach with regard to Board and senior management particularly the arrangements for management of risk and the steps needed to meet challenges from the competition, independence and Independent views and judgement, etc.

Pursuant to the Act and Listing Regulations, the Company has constituted an NRC. The detailed terms of reference of the Committee can be accessed at

https://www.piindustries.com/wp-content/uploads/2023/06/PIIND-Nomination-and-Remuneration-Policy.pdf

iii) STAKEHOLDER'S RELATIONSHIP COMMITTEE

Composition and attendance

The Stakeholder's Relationship Committee presently comprises of 3 Directors of which 1 member is an Executive Director and 2 are Independent Directors. The Committee is chaired by an Independent Director.

During the financial year ended March 31, 2023, the Committee met one (1) time on March 27, 2023. The composition and attendance record of the members of the Stakeholder's Relationship Committee for the financial year 2022-23 is as follows:

Name of Director	Category	Number of meetings held during the financial year 2022-23 : (1) one	
		Entitled to attend	Attended
Dr. T.S. Balganesh, Chairperson (inducted as a Chairperson w.e.f. August 10, 2022)	Independent Director	1	1
Mr. Rajnish Sarna	Executive Director	1	1
Mr. Shobinder Duggal (inducted as a member w.e.f. August 10, 2022)	Independent Director	1	1
Mr. Mayank Singhal (ceased to be member w.e.f. August 10, 2022)	Executive Director	-	-
Mr. Pravin K. Laheri (ceased to be chairperson and member w.e.f. August 10, 2022)	Independent Director	-	-

The Stakeholder's Relationship Committee of the Board looks into the various aspects of interest of shareholders and reviews the process of share transfers/ transmission, unclaimed Dividend / Shares, IEPF & issue of duplicate shares, oversees redressal of grievances of security holders, if any. During the year, it also had meeting with senior executives of RTA viz., KFin Technologies Ltd., ('KFin') to review the service standards and operations of KFin.

The detailed terms of reference of the Committee can be accessed at

https://www.piindustries.com/wp-content/uploads/2023/06/TOR_SRC.pdf

The Company Secretary acts as the Secretary to the Committee and the Compliance Officer under the provisions of the Listing Regulations.

During the year, the Company received 116 complaints for issues e.g. non-receipt of dividend warrants, non-receipt of share certificates, etc. which were duly attended and resolved, no complaints were pending as on March 31, 2023.

iv) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Composition and attendance

The CSR Committee presently comprises of 4 members, out of which 2 members are Independent Directors. The Chairperson of the CSR Committee is a Non-Executive Independent Director. The Committee met four (4) times on May 17, 2022, August 02, 2022, November 07, 2022 and March 10, 2023 during the financial year ended March 31, 2023.

The composition and attendance record of the members of the CSR Committee for the financial year 2022-23 is as follows:

Name of Director	Category	Number of meetings during the financial year 2022-23 : (4) four	
		Entitled to attend	Attended
Ms. Pia Singh, Chairperson (inducted as a Chairperson and member w.e.f. August 10, 2022)	Independent Director	2	2
Mr. T. S. Balganesh (inducted as a Member w.e.f. August 10, 2022)	Independent Director	2	2
Mr. Mayank Singhal	Executive Director	4	4
Mr. Rajnish Sarna	Executive Director	4	4
Ms. Ramni Nirula (ceased to be Member w.e.f. August 10, 2022)	Independent Director	2	1
Mr. Pravin K. Laheri (ceased to be Chairperson and member w.e.f. August 10, 2022)	Independent Director	2	2

The CSR Committee seeks to guide the Company in integrating its social and environmental objectives with its business strategies and assists in crafting unique models to support creation of sustainable livelihoods. The role of the CSR Committee of the Board is inter alia, to review, monitor and provide strategic direction to the Company's CSR and sustainability practices towards fulfilling its objectives laid down under CSR Policy. The detailed terms of reference of the Committee are a part of CSR policy and can be accessed at

https://www.piindustries.com/wp-content/uploads/2023/06/CSR-Policy.pdf

v) RISK MANAGEMENT COMMITTEE (RMC)

Composition and attendance

Risk Management Committee presently comprises of Four (4) Members, one of whom is an Independent Director. The Committee meeting took place on September 05, 2022 and February 28, 2023 respectively. The composition and attendance record of the RMC members for the financial year 2022-23 is as follows:

Name of Director	Category	Number of meetings during the financial year 2022-23 : (4) four	
		Entitled to attend	Attended
Mr. Mayank Singhal, Chairperson	Executive Director	2	2
Mr. Narayan K. Seshadri	Non-Executive & Non-Independent Director	2	2
Mr. Rajnish Sarna	Executive Director	2	2
Mr. Shobinder Duggal (inducted as a member w.e.f. August 10, 2022)	Independent Director	2	2
Dr. Raman Ramachandran (ceased to be a Member w.e.f. July 01, 2022)	Non- Executive & Non-Independent Director	-	-

During FY 2022-23, the Company did not trade in or have any exposure in the commodities market.

Pursuant to the Listing Regulations, the Company has constituted a RMC. The detailed terms of reference of the Committee can be accessed at

https://www.piindustries.com/wp-content/uploads/2023/06/Risk-Management-Policy_2023.pdf

vi) ADMINISTRATIVE COMMITTEE

Composition and attendance

The Administrative Committee presently comprises of 3 Directors out of which 2 are Executive Directors. The Company Secretary acts as Secretary to the Committee.

During the financial year ended March 31, 2023, the Committee met six (6) times on April 21, 2022, June 15, 2022, September 01, 2022, October 11, 2022, November 09, 2022, and December 16, 2022 respectively. The composition and attendance record of the members of the Administrative Committee for the financial year 2022-23 is as follows:

Name of Director	Category	Number of meetings during the financial year 2022-23 : (6) six	
		Entitled to attend	Attended
Mr. Mayank Singhal, Chairperson	Executive Director	6	6
Mr. Rajnish Sarna	Executive Director	6	6
Mr. Arvind Singhal (inducted as a member w.e.f. August 10, 2022)	Non-Executive & Non-Independent Director	4	1

Name of Director	Category	Number of meetings during the financial year 2022-23 : (6) six	
		Entitled to attend	Attended
Dr. Raman Ramachandran (ceased to be member w.e.f. July 01, 2022)	Non-Executive & Non-Independent Director	2	-

This Committee facilitates the approvals required for routine business activities of the Company where the powers are delegated by the Board of Directors to this Committee like opening/closing of bank accounts, borrowing powers up to a limit delegated by board, creation of security and investment of idle funds lying with the Company apart from authorisations for dealing various authorities/ matters as may be requested by different functions from time to time for smooth business operations of the Company etc. The detailed terms of reference of the Committee can be accessed at

https://www.piindustries.com/wp-content/uploads/2023/06/Terms-of-reference_Admin-Committee.pdf

vii) M&A COMMITTEE

Composition and attendance

M&A Committee presently comprises of five (5) members, two of whom are Independent Directors. The Committee meetings took place on April 19, 2022, September 08, 2022 and January 10, 2023. The composition and attendance record of the M&A Committee members for the financial year 2022-23 is as follows:

Name of Director	Category	Number of meetings during the financial year 2022-23 : (5) five	
		Entitled to attend	Attended
Mr. Mayank Singhal, Chairperson	Executive Director	3	3
Mr. Narayan K. Seshadri	Non-Executive & Non - Independent Director	3	3
Mr. Rajnish Sarna	Executive Director	3	3
Mr. Shobinder Duggal (inducted as a member w.e.f. August 10, 2022)	Independent Director	2	2
Dr. T S Balganesh (inducted as a member w.e.f. August 10, 2022)	Independent Director	2	2

The M&A Committee of the Board assists the Board of Directors, with its responsibility to identify, evaluate and execute organic & inorganic opportunities. The Committee reviews the various operational issues arising out of such opportunities and helps the Board to take informed decision based upon the Committee inputs.

The Board of Directors has accepted all the recommendations made by the aforesaid Committees during the financial year.

4. NOMINATION AND REMUNERATION POLICY

On recommendation of the Nomination and Remuneration Committee (NRC), the Board has framed a Nomination and Remuneration Policy. This policy, inter alia, provides: (a) The criteria for determining qualifications, positive attributes, and independence of directors; and (b) Policy on remuneration of directors, key managerial personnel and other employees. The policy is directed towards a compensation philosophy and structure that will reward and retain talent; and provides for a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals. The said policy is placed on the Company's website i.e.

https://www.piindustries.com/wp-content/uploads/2023/06/PIIND-Nomination-and-Remuneration-Policy.pdf

5. DIRECTOR'S REMUNERATION

i. Pecuniary relationship/transaction with non-executive directors

During FY 2022-23, there were no pecuniary relationship/ transactions of any non–executive directors with the Company, apart from remuneration as directors and transactions in the ordinary course of business and on arm's length basis at par with any member of general public. During FY 2022-23, the Company did not advance any loans to any of its directors.

ii. Criteria of making payments to non-executive directors

Non-executive directors of the Company play a crucial role in the independent functioning of the Board. They bring in an external perspective to decision-making and provide leadership and strategic guidance while maintaining objective judgment. They also oversee the corporate governance framework of the Company.

The criteria of making payments to non–executive directors are placed on the Company's website i.e.

https://www.piindustries.com/wp-content/uploads/2023/06/PIIND-Nomination-and-Remuneration-Policy.pdf

iii. Details of Remuneration of directors

Non-Executive Directors

Sitting fees is paid to Non-Executive Directors for attending Board / Committee meetings. They are also entitled to reimbursement of actual travel expenses, boarding and lodging, conveyance expenses incurred for attending such meetings. The commission payable to Non-Executive Directors is decided by the Board within the limits of 1% of the net profits as approved by the members of the Company.

All Non–Executive Directors are paid sitting fees and commission as per the details provided in the Form MGT-7 (annual return) which is hosted on the Company's website i.e. https://www.piindustries.com/investor-relations/co-go/annual-return

Name of Director	Sitting Fees (₹/ Mn.)	Commission @ (₹/Mn.)	No. of Equity Shares held
Mr. Narayan K. Seshadri	1.575	26*	4,84,259
Mr. Arvind Singhal	0.675	3.5	-
Dr. T.S. Balganesh	1.000	3.5	-
Ms. Lisa J. Brown	0.975	3.5	-
Mr. Shobinder Duggal	1.200	3.5	-
Ms. Pia Singh (w.e.f September 03, 2022)	0.850	3.5	32,500
Mr. Pravin K. Laheri (up to September 05, 2022)	0.550	-	-
Ms. Ramni Nirula (up to September 05, 2022)	0.275	-	787
Dr. Raman Ramachandran (up to June 30, 2022)	0.075	-	-

@ Commission payable for FY 2022-23.

*Commission payable to Mr. Narayan K. Seshadri will be subject to approval of shareholders at the ensuing Annual General Meeting.

Executive Directors

The remuneration of the Executive Director(s) is recommended by the Nomination and Remuneration Committee based on factors such as industry benchmarks, the Company's performance vis-à-vis the industry performance etc. and approved by the Board within the remuneration slabs approved by the shareholders. Remuneration comprises of fixed component viz. salary, perquisites and allowances and a variable component viz. commission. The Nomination and Remuneration Committee also recommends to the Board, the annual increments within the salary scale approved by the members and the commission payable to the Executive Director(s) on determination of profits for the financial year, within the ceilings on net profits prescribed under Section 197 of the Companies Act, 2013.

The tenure of Mr. Mayank Singhal, Vice Chairperson & Managing Director and Mr. Rajnish Sarna, Joint Managing Director of the Company is of three years up to September 30, 2025, and November 06, 2025 respectively with a notice period of ninety days and is governed by a service contract. The same is in compliance with the applicable provisions of the Act. Salary and perquisites include all elements of remuneration and is entitled for performance incentive. The Company has not issued any stock options to him. He is entitled to superannuation benefits, which forms part of the perquisites allowed to him. Both the Executive Directors are paid remuneration as per the details provided in the Form MGT-7 (annual return) which is hosted on the Company's website i.e. https://www.piindustries.com/investor-relations/co-go/annual-return

Details of remuneration paid to the Executive Directors during the financial year 2022-23 are as follows: (in ₹ million)

Name of Director	Salary	Retiral Benefits	Perquisites	Commission @	Total
Mr. Mayank Singhal, Vice Chairperson & MD	42.00	7.206	42.00	100	191.206
Mr. Rajnish Sarna, Joint Managing Director	24.00	4.032	24.00	30	82.032

@ Commission payable for FY 2022-23.

a) Retiral benefits includes PF, Gratuity and Superannuation.

b) Mr. Mayank Singhal holds 3,10,28,510 equity shares of the Company as on March 31, 2023.

c) Mr. Rajnish Sarna holds 1,25,512 equity shares of the Company as on March 31, 2023.

6. CODE OF CONDUCT

The Board of Directors has laid down a Code of Conduct for all Board members and the Senior Management of the Company. All the Directors and Senior Management have affirmed compliance with the Code of Conduct as approved and adopted by the Board of Directors and a declaration to this effect signed by the Vice Chairperson & Managing Director has been annexed as Annexure 'III' to the Corporate Governance Report. The said code of conduct can be accessed on the Company's website i.e.

https://www.piindustries.com/wp-content/uploads/2023/06/Code-of-Conduct_for_Directors-and-Sr.-Management.pdf

7. COMPLIANCES REGARDING INSIDER TRADING

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, (the 'SEBI PIT Regulations') the Company has a Board approved Code of Conduct to Regulate, Monitor and Report Trading by Insiders ('Code of Conduct'), as well as Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ('Code of Fair Disclosure').

Whenever any non-compliance by any designated employee concerned was observed, penalty was levied, and the amount was remitted to the stipulated fund. The Company also, by frequent communication, makes aware the designated employees of their obligations under the SEBI PIT Regulations. The Audit Committee had reviewed the compliance of the SEBI PIT Regulations to ensure that the systems for internal control with respect to the SEBI PIT Regulations are adequate and are operating effectively. Mr. Rajnish Sarna, Joint Managing Director has been designated as the Chief Investor Relations Officer to ensure timely, adequate, uniform, and universal dissemination of information and disclosure of Unpublished Price Sensitive Information.

The said Code has been posted on Company's website i.e.

https://www.piindustries.com/wp-content/uploads/2023/06/PI-Code-of-Practices-and-Price-Sensitive.pdf

8. DETAILS OF MATERIAL SUBSIDIARIES OF THE COMPANY, INCLUDING THE DATE AND PLACE OF INCORPORATION AND THE NAME AND DATE OF APPOINTMENT OF THE STATUTORY AUDITORS OF SUCH SUBSIDIARIES:

The Company has no material subsidiary as on March 31, 2023, in terms of Listing Regulations.

9. OTHER DISCLOSURES

a. **Related Party Transactions during the year under review**

All transactions entered into with related parties (RPTs), as defined under the Act and the Listing Regulations during the financial year ended March 31, 2023 were in the ordinary course of business and at arm's length and do not attract the provisions of Section 188 of the Act, 2013 and the rules made thereunder. There were no material transactions with the related parties during the year, which were in conflict of interest, and hence no approval of the shareholders of the Company was required in terms of the Listing Regulations. The transactions with the related parties, namely its promoters, its holding, subsidiary, and associate companies etc., of routine nature have been reported in the Notes to financial statements as per Indian Accounting Standard 24 (IND AS 24) notified vide Companies (Indian Accounting Standard) Rules, 2015. The Policy on Materiality of Related Party Transactions and on dealing with related party transactions is available on the Company's website i.e.

https://www.piindustries.com/wp-content/uploads/2023/06/Policy-on-Related-Party-Transactions.pdf

b) **Details of non- compliances**

The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited, and the Company has complied with all applicable requirements of the Capital market. There were no instances of non- compliance by the Company. No penalties or strictures were imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority on any matter related to the capital market during the last three years.

c) **Vigil Mechanism/ Whistle blower policy**

Pursuant to Section 177 of the Companies Act, 2013 and Regulation 22 of Listing Regulations, the Company has in place a Whistle Blower Policy for establishing a vigil mechanism for Directors and employees to report instances of unethical and/or improper conduct and implementing suitable steps to investigate and correct the same. It is also affirmed that no personnel have been denied access to the Audit Committee. The Whistle Blower Policy has also been posted at the Company' website i.e.

https://www.piindustries.com/wp-content/uploads/2023/06/Whistle-Blower-Policy-updated.pdf

d) Disclosure of Accounting Treatment

The financial statements have been prepared in all material aspects in accordance with the recognition and measurement principals laid down in Indian Accounting Standards ('Ind AS') as per Companies (Indian Accounting Standard) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('The Act') and other relevant provisions of the Act to the extend applicable.

e) Policy for determining Material Subsidiaries

The Company has a policy for determining "Material" subsidiary in compliance with the Listing Regulations. Copy of aforesaid policy is also available on the Company's website i.e. https://www.piindustries.com/Media/Documents/Policy%20for%20Material%20Subsidiary.pdf

f) Risk Management

The Company has formulated Risk Management in its procedures itself. The Company has further strengthened its Risk Management system and has laid down procedures to inform Board Members about risk assessment and minimization procedures. These procedures are being periodically reviewed and analysed to ensure that Executive Management controls risk through means of a properly defined framework and takes corrective action for managing/ mitigating the same.

g) Commodity Price Risk and Commodity Hedging Activities

During the year under review, the Company controlled the foreign exchange risk and hedged to the extent necessary as laid out in the hedging policy of the Company. The Company enters forward contracts for hedging foreign exchange exposure against exports and imports.

Details of foreign exchange exposure are disclosed in the notes to financial statements for the year ended March 31, 2023.

h) Management Discussion and Analysis

The Management Discussion and Analysis forms the part of the Annual Report and is given separately.

i) Compliances

All Returns/Reports were filed within the stipulated time with the Stock Exchanges/ other authorities.

This Corporate Governance Report of the Company for the year ended March 31, 2023 is in compliance with the requirements of Part C of Schedule V of Listing Regulations.

The status of Adoption of the non-mandatory requirements as specified in Sub- Regulation 1 of Regulation 27 of Listing Regulations are as follows:-

(i) **The Board:** The Chairperson of the Board is Non-Executive Non- Independent Director and maintains separate office, for which Company is not required to reimburse any expense.

(ii) **Shareholder Rights:** Half yearly and other quarterly financial statements including summary of the significant events in the last six/three months are published in newspapers, uploaded on the Company's website i.e. https://www.piindustries.com/investor-relations/co-go/financials-results

(iii) **Modified opinion(s) in audit report:** The Company is in the regime of unmodified opinion on financial statements.

(iv) **Separate posts of Chairperson and the Managing Director:** The Company has appointed separate persons to the post of the Chairperson and the Managing Director, such that Mr. Narayan K. Seshadri, Chairperson is–

(a) a Non-Executive Non-Independent Director; and

(b) not related to Managing Director or Joint Managing Director of the Company as per the definition of the term "relative" defined under the Companies Act, 2013

(v) **Reporting of Internal Auditor:** The Internal Auditors of the Company reports to the Audit Committee.

j) **Fees payable to Statutory Auditor:** Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditors and all entities in the network firm/ network entity of which it is a part is ₹11 Million (including LR, Certification fee, audit fee etc.)

k) **Certificate on non-disqualification of Directors:** None of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies. In this connection, the Company has obtained a certificate from Practicing Company Secretary on April 26, 2023, which is annexed as **Annexure 'IV'.**

l) Disclosures in relation to the sexual harassment of women

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. The Company has also constituted Internal Committees at all its locations, known as the Prevention of Sexual Harassment (POSH) Committees, to inquire into complaints of sexual harassment and recommend appropriate action.

Particulars	Numbers
Number of complaints filed during the financial year 2022-23	03
Number of complaints disposed of during the financial year 2022-23	03
Number of complaints pending as on end of the financial year i.e., March 31, 2023	NIL

10. GENERAL BODY MEETINGS

i. Date and Venue of last three AGMs were held as under:

Date/Venue	Time	Type of Meeting
September 03, 2022 Through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM)	10:30 a.m.	AGM
September 14, 2021 Through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM)	10:30 a.m.	AGM
September 25, 2020 Through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM)	11.00 a.m.	AGM

ii. Special resolutions passed during last three AGMs

Date of AGM		Subject matter of Special Resolutions passed
September 03, 2022	1.	Continuation of Mr. Arvind Singhal as a Non-Executive Non-Independent Director of the Company on completion of 75 years of age.
	2.	Appointment of Mr. Shobinder Duggal (DIN: 00039580) as an Independent Director.
	3.	Appointment of Ms. Pia Singh (DIN: 00067233) as an Independent Director.
	4.	Re-appointment of Mr. Mayank Singhal, (DIN: 00006651) as Vice Chairperson & Managing Director of the Company.
	5.	Re-appointment of Mr. Rajnish Sarna, (DIN: 06429468) as Joint Managing Director of the Company
	6.	Payment of remuneration by way of commission to Mr. Narayan K. Seshadri (DIN: 00053563), as Non-Executive Independent Chairperson of the Company.
September 14, 2021	1.	Appointment of Dr. K.V.S. Ram Rao (DIN: 08874100) as a Whole-time Director of the Company.
	2.	Payment of remuneration by way of commission to Mr. Narayan K. Seshadri (DIN: 00053563), a Non-Executive Independent Chairperson of the Company.
September 25, 2020	1.	Re-appointment of Dr. T.S. Balganesh (DIN: 00648534), as an Independent Director.

11. POSTAL BALLOT

The Company has not carried out postal ballot exercise during the financial year 2022-23.

12. MEANS OF COMMUNICATION

Quarterly, half-yearly, and annual financial results are published in Rajasthan Patrika, Dainik Bhaskar and Financial Express apart from displaying it on its website and filing the same on online portals of NSE and BSE.

All important public domain information including press release, official news releases, various policies and codes framed/approved by the Board, presentations made to the media, analysts and institutional investors, schedule transcripts and audio recordings of earnings call with investors, matters concerning the shareholders, details of the contact persons, etc. are available at the Company's website, www.piindustries.com and on NSE India and BSE Listing Centre of NSE and BSE respectively.

All stock exchanges filings are disseminated electronically on NSE India and on the BSE Listing Centre. The Annual Report containing, inter alia, Audited Financial Statement, Consolidated Financial Statements, Board Report, Auditors' Report is circulated to members and others entitled thereto. The Management's Discussion and Analysis (MD&A) Report forms part of the Annual Report and is displayed on the Company's website.

The quarterly Shareholding Pattern and Corporate Governance Report of the Company are filed with NSE through NSE India and with BSE through BSE Listing Centre. The Shareholding Pattern is also displayed on the Company's website i.e. https://www.piindustries.com/investor-relations/co-go/Shareholding

13. Green initiatives by MCA

Sections 20 and 136 of the Act, read with relevant rules, permit companies to service delivery of documents electronically to the registered email addresses of the members. In compliance with the said provisions and as a continuing endeavour towards the 'Go Green' initiative, the Company proposes to send all correspondence/communications through email to those members who have registered their email addresses with their depository participant's/Company's share transfer agent. During FY 2022-23, the Company sent documents, such as notice calling the AGM, postal ballot notice, audited financial statements, Board Report, Auditors' Report, credit of dividend intimation letters, half yearly communications, etc. in electronic form to the email addresses provided by the members and made available by them to the Company through the depositories. All financial and other vital official news releases and documents under the SEBI Listing Regulations are also communicated to the concerned stock exchanges, besides being placed on the Company's website.

14. OUTSTANDING GDRs/ADRs/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

The Company does not have any outstanding convertible instruments/ ADR/ GDR/ Warrants as on date.

15. DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH QUALIFIED INSTITUTIONAL PLACEMENT AS SPECIFIED UNDER REGULATION 32 (7A)

During the financial year 2020-21, the Company has allotted 13,605,442 equity shares of face value of ₹1/- each by way of a Qualified Institutions Placement at a price of ₹1,470 per equity share (including a premium of ₹1469 per equity share) aggregating up to ₹20,000 Million to the eligible investors on July 09, 2020. Out of the above proceeds, ₹674.99 Million has been utilized during the year by the Company in terms of the objects stated in the prospectus at the time of issue.

16. GENERAL SHAREHOLDER INFORMATION

i. **CONTACT INFORMATION**

PI Industries Ltd.	**CIN : L24211RJ1946PLC000469**
Registered Office	**Corporate Office**
Udaisagar Road, Udaipur - 313 001 Rajasthan (India)	Vipul Square, 5th Floor, B-Block, Sushant Lok Phase - I Gurugram -122 009, Haryana (India)

Research & Manufacturing facilities:

- Udaisagar Road, Udaipur - 313 001 Rajasthan
- Panoli Unit-1: Plot No.237, GIDC, Panoli - 394 116, Ankleshwar, Gujarat
- Panoli Unit-2: Plot No.3133-3139, 3330- 3351, 3231-3245, 3517-3524, GIDC, Panoli - 394 116, Ankleshwar, Gujarat
- 640, GIDC Industrial Estate, Panoli -394 116, Tal.

Ankleshwar, Dist.: Bharuch, Gujarat

- Plot No. SPM 28, 29/1, 29/2 Sterling SEZ, Village Sarod, Jambusar - 392 180, Gujarat

ii. Name, Address and Contact Number of Compliance Officer and Company Secretary:

Ms. Sonal Tiwari, Company Secretary & Chief Compliance Officer, 5th Floor, Vipul Square, B- Block Sushant Lok, Phase – I, Gurugram – 122 009, Haryana, India. Phone No: 0124-6790000; Email ID: investor@piind.com

iii. Annual General Meeting

Date : August 17, 2023

Time : 10:30 am

Mode/ Through : Video Conference ("VC")/ Other Audio-Visual Means ("OAVM")

iv. Financial Calendar

The Company follows the financial year from April 01 to March 31.

The tentative calendar for declaration of financial results in financial year 2023-24 is as follows:

Unaudited Financial Results for the quarter ending June, 2023	On or before August 14, 2023
Unaudited Financial Results for the quarter ending September, 2023	On or before November 14, 2023
Unaudited Financial Results for the quarter ending December, 2023	On or before February 14, 2024
Audited Financial Results for the year ending 31st March, 2024	Before the end of May, 2024
AGM for the year	On or before August 31, 2024

v. Dividend

During the year, the Board of Directors of the Company declared an interim dividend of ₹4.5/- per equity share (450%) in its Board Meeting held on February 14, 2023 on 15,17,18,118 equity shares of face value ₹1/- each which was paid on March 06, 2023. In addition to same, the Board has recommended a final dividend of Rs. 5.5/- per equity share (550%) of face value ₹1/- each thereby taking total dividend to ₹10/- per equity share (1000%). Final dividend on equity shares, if declared, at the AGM, will be credited/dispatched within 30 days from the date of AGM i.e. on August 17, 2023 to all eligible members holding shares as of the end of the day on Friday, August 11, 2023 ('record date').

Payment of dividend

The Listing Regulations read with SEBI circular dated 20 April 2018, require companies to use any electronic mode of payment approved by the Reserve Bank of India (RBI) for making payment to members. Accordingly, the dividend, if declared will be paid through electronic mode, where the bank account details of the members are available. Where dividend payments are made through electronic mode, intimation regarding such remittance will be sent separately to the members. In cases where the dividend cannot be paid through electronic mode, it will be paid by account payee/ non-negotiable instruments/warrants with bank account details printed thereon. In case of non-availability of bank account details, address of the members will be printed on such payment instruments. For enabling payment of dividend through electronic mode, members holding shares in physical form are requested to send form ISR-1 along with requisite documents to KFin. The form can be downloaded from the Company's website https://www.piindustries.com/investor-relations/sh-ce/Forms and KFin at https://ris.kfintech.com/clientservices/isc/#isc_download_hrd. In case of members holding shares in demat mode, they are requested to update details with their respective depository participant.

Tax deducted at source (TDS) on dividend

The dividend, if declared will be taxable in the hands of the members. The TDS rate would vary depending on the residential status of the members and the documents submitted by them and accepted by the Company. For more details, members are requested to refer to the Notice of AGM.

vi. Stock Exchange Listing

The Company's equity shares are listed at BSE Limited and National Stock Exchange of India Ltd.

- Stock Code : 523642(BSE), PIIND (NSE)
- Demat ISIN : INE603J01030

The annual listing fees of such stock exchanges have been duly paid by the Company.

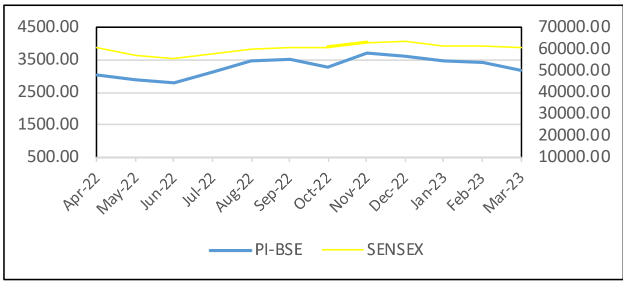
vii. Stock Market Price data

The monthly high and low of the market price of the equity shares of the Company for the year ended March 31, 2023 at BSE Limited and National Stock Exchange of India Ltd. were as under:

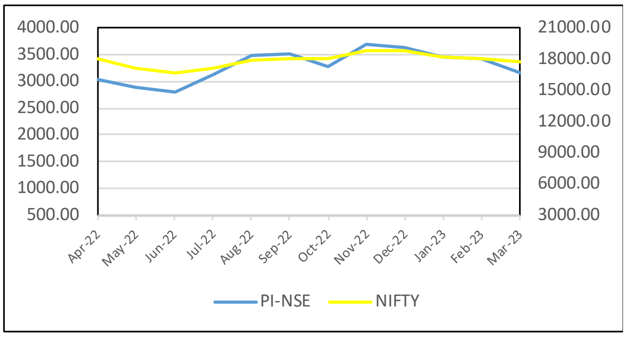
Month	BSE		NSE		NIFTY	
	High	Low	High	Low	Closing high	Closing high
April, 2022	3028.65	2800.00	3035.90	2800.00	18053.40	60611.74
May, 2022	2897.50	2366.55	2896.75	2364.55	17069.10	56975.99
June, 2022	2785.65	2443.90	2788.00	2442.10	16628.00	55818.11
July, 2022	3132.90	2515.00	3134.60	2511.95	17158.25	57570.25
August, 2022	3472.00	2991.70	3474.00	2990.90	17956.50	60298.00
September, 2022	3505.00	2937.00	3504.85	2935.00	18070.05	60571.08
October, 2022	3285.65	2948.25	3288.40	2950.00	18012.20	60746.59
November, 2022	3698.50	3222.15	3698.45	3222.05	18758.35	63099.65
December, 2022	3629.95	3399.95	3630.00	3400.00	18812.50	63284.19
January, 2023	3464.50	2898.05	3463.95	2899.00	18232.55	61294.20
February, 2023	3425.65	2973.05	3414.85	2979.90	18035.85	61319.51
March, 2023	3168.75	2870.00	3169.95	2868.90	17754.40	60348.09

(Source: NSE/BSE website)

PERFORMANCE OF COMPANY SHARES VS BSE SENSEX



PERFORMANCE OF COMPANY SHARES VS NIFTY



viii. Registrar and Share Transfer Agents

KFin Technologies Limited ("KFin")

(Formerly known as KFin Technologies Private Limited) Unit: PI Industries Limited Selenium Building, Tower B, Plot no. 31&32, Financial District, Nanakramguda Serilingampally, Hyderabad, Rangareddi, Telangana, India - 500 032

Contact Person: Mr. N. Shivakumar
Email: einward.ris@kfintech.com
Tel: 040-67162222 Fax: 040-23001153
Toll free no.: 1800 309 4001

Review of service standards adhered by KFin with respect to share related activities

The Company has agreed service timelines and standards for various shareholder related service with KFin. On an on-going basis, the secretarial team engages with officials of KFin at various levels for review of these standards and other share related activities. Periodic meetings and discussions are held to understand the concerns of shareholders, deviations, if any, in the timelines for processing service request, best practices and other measures to strengthen shareholders related services. In addition, the activities at KFin are also reviewed by the internal audit team. During FY 2022-23, a meeting of Stakeholders and Relationship Committee ('SRC') members with a few senior officials of KFin was organised to get an overview of the activities at their end.

Share Transfer System

SEBI has mandated transfer of securities only in dematerialised form with effect from April 01, 2019. Thereafter, SEBI had fixed March 31, 2021 as the cut-off date for re-lodgement of deficient transfer deeds. Accordingly, with effect from April 01, 2021, share transfers in physical form are prohibited under any circumstances and the same shall be processed only in dematerialised form. All transmission, transposition, issue of duplicate share certificate(s), etc., as well as requests for dematerialization/rematerialization are processed at KFin. The work related to dematerialization/ rematerialization is handled by KFin through connectivity with NSDL and CDSL.

ix. Distribution of Shareholdings (As on March 31, 2023)

Shareholding of Nominal value of	Shareholders		Share Capital (Amount)	
	No.	% to total	In `	% to total
1-5000	1,53,063	99.45	1,08,97,370	7.18
5001- 10000	282	0.18	20,46,816	1.35
10001- 20000	174	0.11	24,32,824	1.60
20001- 30000	57	0.04	13,78,271	0.91
30001- 40000	50	0.03	17,29,736	1.14
40001- 50000	37	0.02	16,59,415	1.09
50001- 100000	99	0.06	69,86,254	4.60
100001& above	146	0.09	12,45,87,432	82.12
Total	1,53,908	100	15,17,18,118	100

x. Dematerialization and Liquidity (As on March 31, 2023)

Mode	No. of share-holders	No. of shares	% of total shareholding
Demat	1,53,879	15,16,57,169	99.96
NSDL	70,588	14,76,82,792	97.34
CDSL	83,291	39,74,377	2.62
Physical	29	60,949	0.04
Total	1,53,908	15,17,18,118	100

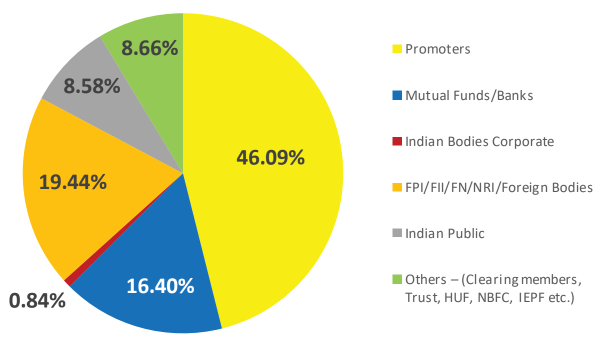
The Company's shares are compulsorily traded in dematerialised form and are available for trading on both the depositories, viz. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

The equity shares of the Company were not suspended from trading during the year on account of corporate actions or otherwise**.**

xi. Category of Shareholders on PAN basis (As on March 31, 2023)

S. No.	Category	No. of share-holder	No. of shares held	Voting strength (%)
1	Promoters	5	6,99,20,474	46.09
2	Mutual Funds/Banks	29	2,48,80,399	16.40
3	Indian Bodies Cor-porate	1,486	12,70,566	0.84
4	FPI/FII/FN/NRI/For-eign Bodies	6,703	2,94,99,962	19.44
5	Indian Public	1,37,546	1,30,12,371	8.58
6	Others – (Clearing members, Trust, HUF, NBFC, IEPF etc.)	2,268	1,31,34,346	8.66
	Total	1,48,037	15,17,18,118	100

Shareholding Pattern as on March 31, 2022



xii. Web-based Redressal System for Investor Grievance

The Company and its Registrar & Share Transfer Agent i.e. KFin Technologies Limited (Formerly known as KFin Technologies Private Limited), expeditiously address all the complaints, suggestions, grievances and other correspondence received and replies are sent within 7 days except in case of legal impediments and non-availability of documents. The Company endeavours to implement suggestions as and when received from the investors. Members can access at https://karisma.kfintech.com for any query and/or grievance and may also access SEBI Complaints Redressal System (SCORES) for online viewing the status and actions taken by the Company/ Registrar and Share Transfer Agent (RTA).

xiii. Unclaimed Dividend

As per section 124(5) of Companies Act, 2013 (the 'Act'), any money transferred by the Company to the unpaid dividend account and remaining unclaimed for a period of seven years from the date of such transfer shall be transferred to the Investor Education and Protection Fund ('Fund') set up by the Central Government. Unpaid/unclaimed dividend FY 2016-17 shall be due for transfer to the Fund in December 2023. Members are requested to verify their records and send their claim, if any, for the said year, before such amount become due for transfer. Communication are being sent to members, who have not yet claimed dividend for FY 2016-17, requesting them to claim the same as well as unpaid dividend, if any, for subsequent years.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 03, 2022 (date of last AGM) on the Company's website https://www.piindustries.com/investor-relations/sh-ce/Shareholders-Information and on the website of the Ministry of Corporate Affairs.

The following are the details of the unpaid/unclaimed dividend which are due to be transferred to the Fund in the coming years including current year:

S. No.	Financial Year/ Type of dividend	Date of declaration of Dividend	Date of Transfer/ Due date of transfer of Dividend to IEPF a/c
1	2015-16/ 2nd Interim Dividend	14.03.2016	20.04.2023
2	2016-17/ Interim Dividend	25.10.2016	01.12.2023
3	2016-17/ Final Dividend	06.09.2017	12.10.2024
4	2017-18/ Interim Dividend	25.10.2017	01.12.2024
5	2017-18/ Final Dividend	06.08.2018	12.09.2025
6	2018-19/ Interim Dividend	26.10.2018	02.12.2025
7	2018-19/ Final Dividend	09.09.2019	15.10.2026
8	2019-20/ Interim Dividend	12.02.2020	18.03.2027
9	2019-20/ Final Dividend	25.09.2020	29.10.2027
10	2020-21/ Interim Dividend	02.02.2021	06.03.2028
11	2020-21/ Final Dividend	14.09.2021	19.10.2028
12	2021-22/ Interim Dividend	03.02.2022	10.03.2029
13	2021-22/ Final Dividend	03.09.2022	01.09.2029
14	2022-23/ Interim Dividend	14.02.2023	15.03.2030

xiv. Transfer of shares to IEPF

Pursuant to section 124(6) of the Act and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended (the 'IEPF Rules'), all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to the Demat account of the IEPF Authority, within 30 days of expiry of said seven years.

Various steps are being taken on an ongoing basis to reach out to members, through emails, and other means, requesting them to claim shares which are due for transfer to IEPF. In addition, the Company also publishes a notice in newspapers intimating the members regarding the said transfer. These details of members whose dividend are due for transfer to IEPF will also be made available on the Company's website https://www.piindustries.com/investor-relations/sh-ce/Shareholders-Information

During the year, the Company has transferred 1,800 equity shares of face value of ₹1/- each on October 29, 2022 pertaining to shareholders in respect of whom there was unclaimed dividend for consecutive seven years, to demat account of IEPF Authority held with NSDL. Members can claim such shares and unclaimed dividends transferred to the Fund/ IEPF by following the procedure prescribed in the IEPF Rules. The procedure for making such claim is also made available on the Company's website https://www.piindustries.com/investor-relations/sh-ce/Forms so as to facilitate the easy refund procedure for its investors/claimants.

Members are requested to get in touch with the nodal officer for further details on the subject at investor@piind.com and sonal.tiwari@piind.com

xv. **Credit Rating:** CRISIL has re-affirmed the rating at AA+ (Stable) for Long term and A1+ for Short term in respect of various banking facilities availed by the Company.

xv**i. Other Material Information:** In an effort to improve our services and to minimize investor grievances, we seek co-operation of our esteemed shareholders/ members in the following matters:

Mandatory furnishing of PAN, KYC details and Nomination by holders of physical securities: SEBI vide its circular dated March 16, 2023 has made it mandatory to furnish PAN, Address, Email address, Mobile number, Bank account details and nomination by all shareholders holding equity shares of the Company in physical form. Further, the folios wherein any one of the said document / details are not available on or after October 01, 2023, shall be frozen and such shareholders will not be eligible to lodge grievance or avail service request from the RTA and shall not be eligible for receipt of dividend in physical mode. The frozen folios will then be referred by RTA/Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002 after December 31, 2025. The Company has directly shared an intimation to the holders of physical securities for whom the abovementioned details are incomplete on February 02, 2022 and February 21, 2023 shared with the holders.

Simplification of Procedure of Transmission of Securities: SEBI vide its circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/65 dated May 18, 2022, has enhanced the monetary limits for simplified documentation for transmission of securities, allowed 'Legal Heirship Certificate or equivalent certificate' as one of the acceptable documents for transmission and provided clarification regarding acceptability of Will as one of the valid documents for transmission of securities. The said circular also specified the formats of various documents which are required to be furnished for the processing of transmission of securities.

The circular also lays down operational guidelines for processing investor's service request for the purpose of transmission of securities. The procedure provided in this circular is duly followed by our Registrar and share transfer agent while processing of transmission service request.

Simplification of Procedure for issuance of Duplicate Share Certificates: SEBI vide its circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/70 dated May 25, 2022 has standardized the documents to be submitted for processing of service request for issue of duplicate share certificate and also laid down operational guidelines for the same.

Further, the said circular also mandates listed company to take special contingency policy from insurance company towards the risk arising out of the requirements relating to issuance of duplicate securities in order to safeguard and protect the interest of the listed company. The Company is in compliance with the said circular.

Change of Address: In case of change in the postal address, or if incorrect address has been mentioned in any of the correspondence, the correct and complete postal address (including PIN Code) may kindly be intimated to the Company and its RTA. If the shares are held in dematerialized form, information may be sent to the concerned DP. Such intimation should bear the signature of the shareholder and in case of joint holding signature of the first holder.

PAN Card of Transferee (For Shares held in Physical form): SEBI vide its circular dated November 06, 2018 has made it mandatory to submit a copy of PAN card along with other documents for effecting transfer, transmission, transposition and name deletion of deceased holder from share certificate (in case of joint holding) in respect of shares held in physical form. Shareholders are requested to ensure submission of copy of their PAN Card, as in the absence of the said document, the above said requests in respect of shares held in physical form will stand rejected by the Company/ RTA.

Investor Charter: In order to facilitate investor awareness about various activities where an investor has to deal with RTAs for availing Investor Service Requests, SEBI vide its circular dated November 26, 2021 has developed an Investor Charter for RTAs, inter alia, detailing the services provided to Investors, Rights of Investors, various activities of RTAs with timelines, Dos and Don'ts for Investors. In accordance with the said circular, KFin has hosted the Investor Charter on its website and has also displayed the same at prominent places in offices, etc.

Depository System: SEBI vide its notification dated June 08, 2018, SEBI (LODR) (4th Amendment) Reg, 2018 has provided that transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. For shareholder's convenience, the process for getting shares dematerialized is as follow:

Shareholder shall submit original share certificate along with De-materialization request Form (DRF) to the Depository Participant (DP)

- DP shall process the DRF, generate a Unique De-materialization Request No. and forward the DRF along with the share certificate to the Registrar and Share Transfer Agent (RTA)
- RTA after processing the DRF, may issue a 'Letter of Confirmation' in lieu of physical share certificates to physical shareholders for enabling them to dematerialise the securities.
- If confirmed by RTA, depositories will credit shareholder's account maintained with DP.

The entire process takes approximately 10-15 days from the date of receipt of DRF. All shareholders who hold shares of the Company in physical form may get their shares dematerialized to enjoy paperless and easy trading of shares.

Consolidation of holdings: Members having multiple shareholding/ folios in identical names or joint accounts in the same order are requested to send their share certificate (s) to the Company for consolidation of all such shareholdings into one folio /account to facilitate better service.

Live webcast of AGM: Pursuant to regulation 44(6) of the Listing Regulations, top 100 listed entities shall, with effect from April 01, 2019, provide one-way live webcast of the proceedings of their AGM. Accordingly, the Company has entered into an arrangement with KFin to facilitate live webcast of the proceedings of the ensuing AGM scheduled on August 17, 2023. Members who are entitled to participate in the AGM can view the proceedings of AGM by logging on the website of KFin as detailed in the AGM notice using secure login credentials provided for e-voting. Pursuant to MCA circulars, the Company will also provide two-way video conferencing to the members for participating in the ensuing AGM. The modalities for participation in the AGM are spelt out in AGM Notice.

xvii. Managing Director and CFO Certification

The Managing Director and Chief Financial Officer of the Company give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the Listing Regulations.

In compliance with Regulation 17(8) of Listing Regulations, an annual declaration by the Managing Director and Chief Financial Officer, is also annexed as Annexure 'V' hereinafter which inter-alia certifies to the Board the accuracy of financial statements and the adequacy of internal controls for the financial reporting purpose.

xviii. Auditor's Certificate

As required under Clause E of Part C of Schedule V of the Listing Regulations, the Statutory Auditors of the Company have verified the compliances of the Corporate Governance by the Company. Their certificate is annexed as Annexure 'VI' hereinafter.

xix. Annual Secretarial Compliance Report

Pursuant to Regulation 24A(2) of Listing Regulations, the Company has obtained an Annual Secretarial Compliance Report from Mr. Rupinder Singh Bhatia., Practising Company Secretary, confirming compliance of SEBI Regulations / Circulars / Guidelines issued thereunder and applicable to the Company. There are no observations or adverse remarks in the said report. The report is uploaded on the Company's website https://www.piindustries.com/investor-relations/co-go/secretarial-compliance-report-as-per-regulation-24

On behalf of the Board
For **PI Industries Limited**

Sd/-
Narayan K. Seshadri
Chairperson
DIN: 00053563

Date: May 18, 2023
Place: Gurugram

Annexure 'I'

Name of listed companies in which board members hold directorship along with their categories below:-

S. No	Name of Director & Designation	No. of positions held		Category of directorship held in respective listed company(ies)
		Board	Name of the listed company where holding the position of director	Executive/Non-Executive/Independent
1.	[1] Mr. Narayan K. Seshadri, Independent Chairperson DIN: 00053563	4	1. PI Industries Ltd. 2. Kalpataru Power Transmission Ltd. 3. AstraZeneca Pharma India Ltd. 4. SBI Life Insurance Co. Ltd.	Non-Executive Non- Independent Chairperson Non-Executive Independent Director Non-Executive Independent Chairperson Non-Executive Independent Director
2.	Mr. Mayank Singhal, Vice Chairperson & MD DIN: 00006651	1	PI Industries Ltd.	Executive Director
3.	Mr. Rajnish Sarna, Joint Managing Director DIN: 06429468	1	PI Industries Ltd.	Executive Director
4.	Mr. Arvind Singhal, Non-Independent Director DIN: 00092425	1	PI Industries Ltd.	Non-Executive Non Independent Director
5.	Dr. T.S. Balganesh, Independent Director DIN: 00648534	1	PI Industries Ltd.	Non-Executive Independent Director
6.	Ms. Lisa J. Brown, Independent Director DIN: 07053317	1	PI Industries Ltd.	Non-Executive Independent Director
7.	[2] Mr. Shobinder Duggal, Additional Director DIN: 00039580	3	1. PI Industries Ltd. 2. Kirloskar Brothers Ltd. 3. SBI Life Insurance Co. Ltd.	Non-Executive Independent Director Non-Executive Independent Director Non-Executive Independent Director
8.	[3] Pia Singh, Independent Director DIN: 00067233	2	1.PI Industries Limited 2. DLF Limited	Non-Executive Independent Director Non-Executive Non-Independent Director

1. **Mr. Narayan K Seshadri has completed his second consecutive term as an Independent Director of the Company and ceased to be Independent Directors of the Company with effect from close of business hours of September 05, 2022. Further, he has been appointed as a Non-Executive Non-Independent Director of the Company w.e.f. September 06, 2022 pursuant to approval granted by the shareholders in AGM held on September 03, 2022.**
2. **Mr. Shobinder Duggal (DIN: 00039580) was inducted as Additional director on Board on November 12, 2021. Further, his appointment was regularised in the AGM held on September 03, 2022.**
3. **Ms. Pia Singh (DIN: 00067233) was inducted as an Additional Director on the board w.e.f. August 03, 2022. Further her appointment was regularised in the AGM held on September 03, 2022.**

Annexure 'II'

Skill Matrix chart for Individual Directors

S. No.	Particulars	Mr. Narayan K. Seshadri [1]	Mr. Mayank Singhal	Mr. Rajnish Sarna	Mr. Arvind Singhal	Dr. T.S. Balganesh	Ms. Lisa J. Brown	Mr. Shobinder Duggal [2]	Ms. Pia Singh [3]
1	Fertilizers & Agricultural Chemicals Industry Experience (on the basis of the GICS classification-15101030)	√	√	√	√	√			
2	Mergers & Acquisitions	√	√	√			√	√	
3	Business Management & Corporate Strategies	√	√	√	√		√	√	
4	Finance & Taxation	√	√	√	√		√	√	
5	Technology expertise	√	√			√	√		
6	Corporate Governance	√	√	√	√		√	√	
7	Legal & Regulatory	√	√	√	√		√		
8	Risk Management	√	√	√			√	√	
9	Govt./ Public Policy	√	√	√	√		√		
10	Marketing/ Sales	√	√	√			√		
11	Human Capital/ Compensation	√	√	√	√		√	√	√
12	Environmental Engineering		√	√			√		
13	Sustainability/ Plant experience		√	√			√		
14	Corporate social responsibility	√	√	√	√		√		√

1. **Mr. Narayan K Seshadri has completed his second consecutive term as an Independent Director of the Company and ceased to be Independent Directors of the Company with effect from close of business hours of September 05, 2022. Further, he has been appointed as a Non-Executive Non-Independent Director of the Company w.e.f. September 06, 2022 pursuant to approval granted by the shareholders in AGM held on September 03, 2022.**
2. **Mr. Shobinder Duggal (DIN: 00039580) was inducted as Additional director on Board on November 12, 2021. Further, his appointment was regularised in the AGM held on September 03, 2022.**
3. **Ms. Pia Singh (DIN: 00067233) was inducted as an Additional Director on the board w.e.f. August 03, 2022. Further her appointment was regularised in the AGM held on September 03, 2022.**

Notice
Financial Statements
Management Reports
Corporate overview

Annexure 'III' : Certificate by Vice Chairperson & Managing Director

To,
The Members
PI Industries Limited
Udaipur

Declaration by the Managing Director under Para D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This is to certify that pursuant to the Regulation 26(3) read with Clause D of Part C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors and Senior Management personnel have affirmed compliance with the Company's code of conduct for the year ended March 31, 2023.

Sd/-
Mayank Singhal
Vice Chairperson and Managing Director
DIN: 00006651

Date: May 16, 2023
Place: Gurugram

Annexure 'IV' : Certificate on Non Disqualification of Directors

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
PI INDUSTRIES LIMITED
UDAISAGAR ROAD, UDAIPUR,
RAJASTHAN-313001

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of PI Industries Limited having CIN L24211RJ1946PLC000469 and having registered office at Udaisagar Road, Udaipur - 313001 (Rajasthan)(hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, New Delhi or any such other Statutory Authority.

S. No.	Name of Director	DIN	Date of Appointment in Company
1.	Mr. Mayank Singhal	00006651	28/09/1998
2.	Mr. Narayan Keelveedhi Seshadri	00053563	27/01/2006
3.	Mr. Arvind Singhal	00092425	05/10/2016
4.	Dr. Tanjore Soundararajan Balganesh	00648534	16/05/2017
5.	Mr. Rajnish Sarna	06429468	07/11/2012
6.	Ms. Lisa Jane Brown	07053317	04/08/2020
7.	Mr. Shobinder Duggal	00039580	03/09/2022
8.	Ms. Pia Singh	00067233	03/09/2022

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. Our Responsibility is to express an opinion on these based on our verification. This certificate neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For A. K. Friends & Co.

Sd/-
(Ashish Kumar Friends)
Practicing Company Secretaries
CP No.:4056
Membership No.: FCS 5129
UDIN: F005129E000198883

Date: April 26, 2023
Place: Gurugram

Annexure 'V' : MD and CFO Certificate

To,
The Members
PI Industries Limited
Udaipur

We hereby certify to the best of our knowledge and belief that:

A. We have reviewed the financial statements including the cash flow statement (standalone and consolidated) for the financial year ended March 31, 2023 and that these statements:

   i. do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and

   ii. together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are no transactions entered into by the Company during the year, which are fraudulent, illegal or violate the Company's Code of Business Conduct.

C. We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to address these deficiencies.

D. We further certify that:

   - there have been no significant changes in internal control during the aforesaid period.

   - the Company has complied with new accounting standard, IND-AS, applicable from April 1, 2016.

   - there have been no instance of significant fraud of which, we have become aware and the involvement therein, if any, of management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-
Mayank Singhal
Vice Chairperson and Managing Director
DIN: 00006651

Sd/-
Manikantan Viswanathan
Chief Financial Officer

Date: May 16, 2023
Place: Gurugram

Inspired by Science

Annexure 'VI' : : Independent Auditors Certificate on Corporate Governance

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To the Members of PI Industries Limited

We have examined the compliance of conditions of Corporate Governance by PI Industries Limited, for the year ended March 31, 2023 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub- regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (collectively referred to as “SEBI Listing Regulations, 2015”).

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: FRN 012754N/N500016
Chartered Accountants

Sd/-
Sougata Mukherjee
Partner
Membership Number: 057084

Place of Signature: Gurugram
Date: May 18, 2023

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1. **Corporate Identity Number (CIN) of the Listed Entity**: L24211RJ1946PLC000469
2. **Name of the Listed Entity:** PI INDUSTRIES LIMITED
3. **Year of incorporation**: 1946
4. **Registered office address**: Udaisagar Road, Udaipur, Rajasthan-313001, India
5. **Corporate address:** 5th Floor, Vipul Square, B-Block, Sushant Lok, Phase -1, Gurugram- 122009, Haryana (India).
6. **E-mail**: corporate@piind.com
7. **Telephone:** 0124 6790000
8. **Website:** www.piindustries.com
9. **Financial year for which reporting is being done**: 2022-23
10. **Name of the Stock Exchange(s) where shares are listed**: National Stock Exchange and Bombay Stock Exchange
11. **Paid-up Capital**: Rs. 15,17,18,118
12. **Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:**

    Mr. Manikantan Viswanathan
    Chief Financial Officer
    + 91 124 6790000
    manikantan@piind.com

13. **Reporting boundary -** Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together). Standalone Basis

II. Products/services

14. **Details of business activities (accounting for 90% of the turnover):**

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Agrochemicals	Research, development, manufacturing, and distribution of agrochemical products and crop solutions	98.07%

15. **Products/Services sold by the entity (accounting for 90% of the entity's Turnover):**

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Manufacture of pesticides and other agrochemical products	2021	98.07%

III. Operations

16. **Number of locations where plants and/or operations/offices of the entity are situated:**

Location	Number of plants	Number of offices	Total
National	5	29#	34
International	0	3	3

#Includes twenty-six depots

17. Markets served by the entity:

a. **Number of locations**

Locations	Number
National (No. of States)	Throughout India (26 states)
International (No. of Countries)	More than 30 countries

b. **What is the contribution of exports as a percentage of the total turnover of the entity?**
80%

c. **A brief on types of customers**

The Company is in the business of manufacturing and distribution of agrochemicals and accordingly has one reportable business segment viz. 'Agro Chemicals'.

The Company has global as well as domestic customers who are dealing with Agro chemicals ranging from institutional to distributors and dealers.

IV. Employees

18. **Details as at the end of Financial Year:**

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
			EMPLOYEES			
1.	Permanent (D)	3323	3162	95%	161	5%
2.	Other than Permanent (E)	54	45	83%	9	17%
3.	Total employees (D + E)	3377	3207	95%	170	5%
			WORKERS			
4.	Permanent (F)	31	31	100%	0	0%
5.	Other than Permanent (G)	1538	1530	99.48%	8	0.52%
6.	Total workers (F + G)	1569	1561	99.49%	8	0.51%

Note: Schedule XX on the Manufacture and manipulation of dangerous pesticides imposes prohibition on employment of women in any room where there is manufacture or storage of dangerous pesticides.

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
			DIFFERENTLY ABLED EMPLOYEES			
1.	Permanent (D)	4	4	100%	0	0%
2.	Other than Permanent (E)	0	0	0%	0	0%
3.	Total differently abled employees (D + E)	4	4	100%	0	0%
			DIFFERENTLY ABLED WORKERS			
4.	Permanent (F)	0	0	0%	0	0%
5.	Other than permanent (G)	1	1	100%	0	0%
6.	Total differently abled workers (F + G)	1	1	100%	0	0%

19. Participation/Inclusion/Representation of women

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	2	25%
Key Management Personnel	4	1	25%

20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

Particulars	FY 22-23 (Turnover rate in current FY)			FY 21-22 (Turnover rate in previous FY)			FY 20-21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	23%	23.5%	23%	22%	18.6%	21.9%	13.6%	2.6%	13.3%
Permanent Workers	20.3%	-	20.3%	5.1%	-	5.1%	11.8%	-	11.8%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Jivagro Ltd	Subsidiary	100%	Yes
2	PI Health Sciences Ltd	Subsidiary	100%	Yes
3	PILL Finance and Investments Ltd	Subsidiary	100%	Yes
4	PI Life Science Research Ltd	Subsidiary	100%	Yes
5	PI Bioferma Pvt Ltd	Subsidiary	100%	Yes
6	PI Fermachem Pvt Ltd	Subsidiary	100%	Yes
7	PI Japan Co. Ltd	Subsidiary	100%	Yes
8	Solinnos Agrosciences Pvt Ltd	Associate	49% (through PI Life Science Research Ltd)	Yes
9	PI Kumiai Pvt Ltd	Joint Venture	50% (through PI Life Science Research Ltd)	Yes

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of the Companies Act, 2013: Yes, as per section 135 of the Companies Act, 2013, provisions of CSR is applicable. A brief of the CSR vision of the Company and the activities undertaken has been detailed in the Social and Relationship Capital Section

(ii) Turnover (in Rs.)- ₹ 64,292 million

(iii) Net worth (in Rs.)- ₹ 70,968 million

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 22-23 Current Financial Year			FY 21-22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes pifoundation@piind.com^ https://www.piindustries.com/ContactUs.aspx#						
Investors (other than shareholders)	Yes https://www.piindustries.com/investor-relations/co-go/Contact-Details						
Shareholders	Yes https://www.piindustries.com/investor-relations/co-go/Contact-Details	116	0	All closed	145	0	All closed
Employees and workers	Yes https://www.piindustries.com/sites/default/files/Whistle%20Blower%20Policy.pdf						
Customers	Yes https://www.piindustries.com/ContactUs.aspx#	5	0	All resolved	14	0	All resolved
Value Chain Partners	Yes https://www.piindustries.com/ContactUs.aspx#	33	1		24	0	All closed

^Grievances for all the CSR activities conducted by the Company can be communicated through email
#Link to all channels of communication that can be used for grievance redressal

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / Opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Climate Change	R	Climate change can have adverse impact on our business and lack of any strategy or implementation will severely affect business continuity	We have set specific and measurable targets for ourselves towards climate change to ensure long-term sustainability of our business. Our manufacturing locations have integrated environment management capabilities	Negative
2	Contribution to ICT Innovation	O	ICT makes our operations more efficient. We continue to leverage ICT to become better at analytics and increase our operational efficiencies		Positive
3	Customer Responsibility Initiatives	O	We have been taking initiative to aware consumers and engage with them through multiple media		Positive
4	Nutrition & Food Security	O	Our products ensure the nutrition and food security of the masses. We continue to deliver quality products and innovate our products to have a bio-based product in our portfolio		Positive
5	Supply Chain Management, Product Safety and Quality Assurance	O	A resilient supply chain has helped our business in continuing operations at adverse times. We have strong product safety and quality assurance practices to safeguard environment and people from any harm from our products		Positive
6	Biodiversity and Ecological Conservation	O	Our operations do not impact biodiversity and ecology directly, yet we remain committed to minimizing our impact on biodiversity and ecology.		Positive
7	Chemical Substances	R	Our chemical substances pose a risk to the environment.	We are working towards increasing the share of biologicals in our portfolio. We are also fully compliant with national laws on hazardous waste	Negative
8	Emission Control	R	With increasing manufacturing capacity, the GHG emissions might go up	We are taking measures like fuel change, increasing our efficiencies and captive renewable energy production to check our emissions	Negative
9	Energy Management	R	Our manufacturing processes involve significant energy consumption. Thus, it is both a risk and an opportunity for us.	We have been increasing our efficiencies and are investing in captive renewable energy production and procurement from renewable sources. Besides this, we are also investing in technological changes to save energy	Positive
10	Materials	O	We have been transforming our product line to include more bio-based products and improve their performance on EcoScale. We also continue to reduce the use of hazardous and toxic substances in our products		Positive
11	Soil Health	R	Some of our products' chemical composition may harm soil health	We are consistently decreasing the hazardous substances in our products. We aim to have most of our product line on the better side of EcoScale and also aim to increase the share of biologicals in our portfolio.	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / Opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
12	Waste Management	O	We have robust waste collection and recycling processes in place		Negative
13	Water Management	R	Availability of low TDS water (a finite resource) may pose a risk to our business in future	We have been promoting climate-resilient agriculture that requires less water and also have been introducing practices at our plants to minimize the use of freshwater while also treating our discharge	Negative
14	Corporate Governance and Business Ethics	O	Building upon our organizational strategy to achieve our business goals		Positive
15	Human Rights and Inclusion	R	Change in regulations and keeping a check on human rights across value chain is a risk	We have robust internal mechanisms to ensure no violations of human rights and including human rights as an agenda while screening our partners	Negative
16	Risk Management	R	Being in chemical business our regulatory compliance risks are very high followed by quality risks, geopolitical exposures risks etc.	We have a robust risk management system which included identification of such risks, their analysis and formulation of risk management and mitigation strategies and implementation of the same.	Positive
17	Benefit and Employee Care	O	We care for our employees. Every year we organize health camps across locations and other events to engage our employees. We also ensure that our employees and their families have a safety net in form of organizational support and insurance coverages		Positive
18	Community Support	O	Our multiple projects around our manufacturing sites provides us with their consent to operate		Positive
19	Economic Inclusion	O	At our manufacturing sites we hire workers from local communities and through our CSR programs we ensure that the marginal and vulnerable households are able to access financial institutions		Positive
20	Labor Relationship	R	Change in regulations and labour practices are a challenge to our business	We have a strong compliance management system in place and also ensure that we include the employees and workers in various forums to ensure that they are heard, and their feedback is included in decision making wherever possible	Negative
21	Occupational Safety and Employee Health	R	This can lead to interruption in business continuity and thus decreased productivity and employee morale	Safety and health of our people at workplace is our prime focus and we ensure it through several measures. (Please refer to Human capital section for details)	Negative

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/ No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/ No)	Yes, all policies are placed before the Board for consideration and approval. All other policies are approved by the Vice Chairperson & Managing Director								
c. Web Link of the Policies, if available	https://www.piindustries.com/sustainability/Governance/Sustainability-Policy https://www.piindustries.com/sustainability/CSR/CSR-Policy https://www.piindustries.com/sustainability/EHS/Environment-Health-and-Safety https://www.piindustries.com/wp-content/uploads/2023/06/Sustainable-Procurement-Policy.pdf https://www.piindustries.com/Media/Documents/PI%20POSH%20Policy%2026%20April%2023%20(U).pdf https://www.piindustries.com/wp-content/uploads/2023/09/Board-Diversity-Policy-new.pdf https://www.piindustries.com/wp-content/uploads/2023/06/Human-Rights-Commitment.pdf https://www.piindustries.com/wp-content/uploads/2023/06/Anti-Bribery-Anti-Corruption-Policy.pdf https://www.piindustries.com/wp-content/uploads/2023/06/PIIND-Nomination-and-Remuneration-Policy-1.pdf https://www.piindustries.com/wp-content/uploads/2023/06/Code-of-Conduct-Independent-Directors.pdf								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	N.A.	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	N.A.	Yes	Yes
4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	We have got certifications under various categories like ISO 9001, ISO 14001, OHSAS, ISO 50001, ISO 45001, ISO 27001, Responsible Care, Good Laboratory Practice etc. Our policies are in line with widely adopted international standards and practices such as UNGC guidelines, UN SDGs, UNUHDR, OECD Guidelines for Multinational Companies and ILO principles								
5.Specific commitments, goals and targets set by the entity with defined timelines, if any.	We have set specific ESG goals and targets which can be accessed in our integrated report under Sustainability Goals section								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The performance against set targets undertaken for ESG has been published in the Performance Highlights section of the Integrated Report								
Governance, leadership and oversight									

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

True to our purpose, "Reimagining a healthier planet", we believe that growth of society and community around organization is integral to PI's growth.

A common thread ties our stakeholders together- our purpose to create value while keeping mankind at the center. We emphasize strongly on holistic well-being of our employees which is reflected in our human centric policies, career-oriented learning and development opportunities and Health and Safety practices at our plants and offices.

Communities near our plant sites are an important stakeholder. We make constant efforts to enhance their livelihoods, access to good healthcare and education and promote rural value chains.

PI's focus on creating value is also demonstrated in our focus on circularity and resource efficiency and minimizing environmental footprint. Eighty-nine percent of solvent used in our processes was recovered and used in last FY. Thirty-nine percent of the raw materials procured come from renewable sources, which makes up approximately 30% of our total products.

At PI, we recognize the urgent need to address challenges to achieve sustainable long-term growth and we have set ambitious targets for 2025 to address these challenges.

One of the key challenges is reducing our carbon footprint, and we have set a target to reduce our specific CO2 emissions by 25% by 2025. . To achieve this, we have implemented various measures such as investing in renewable energy sources, improving energy efficiency, and encouraging sustainable practices among our employees. We are also working towards reducing our waste and increasing use of sustainable materials.

PI is also ensuring its social responsibility and creating a diverse and inclusive workplace. We aspire to increase women participation in leadership positions by 25%. We believe that having a diverse and inclusive workplace will not only benefit our employees but also drive innovation and improve our overall business performance. We also understand that strong businesses are built on foundations of strong governance practices, and we are committed to operate our business with integrity and transparency. Our code of conduct and other policies are aligned with international standards and regularly engage with our stakeholders to ensure that our practices align with their expectations. We are committed to continuing our efforts towards becoming a more sustainable and responsible company. We will continue to review our practices and engage with stakeholders.	
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Joint Managing Director under the guidance of the Board
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, Sustainability Council steered by Joint Managing Director

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Dire tor / Committee of the Board/ Any other Committee	Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)
	P 1 P 2 P 3 P 4 P 5 P 6 P 7 P 8 P 9	P 1 P 2 P 3 P 4 P 5 P 6 P 7 P 8 P 9
Performance against above policies and follow up action	Performance of the systems and processes against NGRBC principles are reviewed by Board Committees.	Periodically reviewed by senior leadership team with the Board members' representation
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Company is compliant with all applicable statutory requirements. This is reviewed by Board Committees.	The company monitors the relevant changes in the applicable statues, and accordingly modify the policies, for the purpose of relevance.

	P 1 P 2 P 3 P 4 P 5 P 6 P 7 P 8 P 9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	Yes, the implementation of the policies of the Company is reviewed through internal audit function. The Quality, Safety, Health and Environment Policies are subject to internal and external audits as a part of different certifications process including ISO-9001, ISO-14001, ISO 50001, ISO 45001, Responsible Care, ISO 27001 etc Further, we have undertaken gap-assessment of ESG related policies through an expert third party agency (Deloitte) specializing in ESG services.

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	%age of persons in respective category covered by the awareness Programmes
Board of Directors	3	Code of Conduct, (incl. Anti-Bribery, Gifts Policy), Risk Management, Sustainability Framework	100%
Key Managerial Personnel	4	Code of Conduct, (incl. Anti-Bribery, Gifts Policy), POSH,Risk Management, Sustainability Framework	100%
Employees other than BoD and KMPs	10,000	Code of Conduct, (incl. Anti-Bribery, Gifts Policy) POSH, Risk Management, Sustainability Framework, Information Security	100%
Workers	180	Code of Conduct, (incl. Anti-Bribery, Gifts Policy) POSH, Safety Management	100%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

   No such incident in the last financial year

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed:

   Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

   We at PI, have implemented an Anti-Bribery and Anti-Corruption policy as well as a Whistleblower Policy to ensure the highest level of ethical standards are met in all business operations.

   The Anti-Bribery and Anti-Corruption policy applies to all individuals associated with the company at any level, including employees, contractors, consultants, trainees, casual workers, volunteers, interns, agents or any person or third parties associated with PI. The Whistleblower Policy provides a reporting mechanism for Company's representatives, employees and external stakeholders to disclose any unethical behavior without fear of retaliation. The Chairman of the Board's Audit Committee and Vigilance and Ethics Officer oversee the Whistleblower Policy to prevent any obstruction of the reporting process.

   All our employees undergo annual training on PI Industries Code of Conduct which emphasizes on fair competition practices.

   Web-link- https://www.piindustries.com/Media/Documents/Anti%20Bribery%20&%20Anti%20Corruption%20Policy.pdf

   https://www.piindustries.com/Media/Documents/Whistle%20Blower%20Policy%20(updated).pdf

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 22-23 (Current Financial Year)	FY 21-22 (Previous Financial Year)
Directors	None	None
KMPs	None	None
Employees	None	None
Workers	None	None

6. Details of complaints with regard to conflict of interest:

	FY 22-23 (Current Financial Year)		FY 21-22 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	Nil	Nil

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

   Not Applicable

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
2 Mega Events organized by Supply Chain Procurement Team	Compliance, Governance, ESG, Safety, Industry Updates	35%

Note: In addition to the above mentioned awareness programmes, the Company actively participates in dialogues with its value chain partners, diligently raising awareness on diverse subjects, including ethical governance, regulatory compliance, sustainability, human rights, and employee well-being, among various other pertinent aspects.

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

   Yes, At PI Industries, we have established Code of Conduct for Directors and Senior Management personnel, which mandates the highest level of personal and professional integrity and ethical behavior. Each Director and Senior Management personnel must disclose to the company any personal or external business interest that could create a potential or actual conflict of interest. If such a conflict arises, the Director is expected to abstain from participating in related matters during Board meetings. Directors must inform the Board of any existing Directorship or other positions held in another entity and receive approval before accepting any proposed appointment as a Director or Senior Management personnel of another entity. Additionally, Directors and Senior Management personnel are required to disclose any related party details annually and when any changes occur.

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	23.0%	13.0%	• Improved E-factor of waste generation for 5 products and reduced it to the range of 10% • Tie-ups with leading universities for further study waste characteristics and hence alternates cost efficient treatment methodology development
Capex	4.3%	2.0%	• Investment to reduce the GHG emissions • Advanced process safety measures at commercial level for safer operations

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

   Yes, we strive to promote sustainability practices across the value chain. Our Sustainable procurement policy guidelines are applicable during our vendor on-boarding process. Usage of solar, wind energy, water conservation and waste reduction are encouraged among the vendors. As a Responsible Care company, we have been committed and compliant to absolute environmental safety and regulatory compliances.

   The company has taken multiple initiatives:

   - Annual Vendor meet: To understand sustainability objectives and progress on initiatives taken by each supplier. Suppliers are supported by our technical team's guidance in running their business in a sustainable manner and compliant to all environmental rules and regulations.
   - Packaging: Ongoing initiatives on the packaging of both raw materials and finished products are being taken. Procurement of raw materials in bulk, tankers or jumbo bags is encouraged to reduce handling of various types of packaging materials. The same leads to adherence of environmental and safety standards and helps in better utilization of container space resulting in a lower number of trips. Through our concentrated efforts, we continue to modify the packaging of its finished products to reduce the use of plastics and switch to recycled paper instead.
   - Standardization of Packaging: Our new packaging is tamper-proof and adopts customer-friendly design architecture.
   - Product Stewardship: We have introduced processes to strengthen product stewardship reviews by ensuring the involvement of technical experts from key departments such as operations and supply chain.
   - Material Handling: We are sourcing bulk products and storing in tankers/ISO tankers instead of drums. The same has resulted in reduced drum handling and ensured adherence to key environmental and safety standards.
   - The Company has engaged in dialogue with value chain partners regarding sustainable sourcing. Going forward, The Company is aiming to establish policies, implement goal setting and periodic reviews to ensure continuous improvement in the rate of sustainable sourcing

     https://www.piindustries.com/Media/Documents/Sustainable%20Procurement%20Policy.pdf

b. If yes, what percentage of inputs were sourced sustainably?

39% of our inputs have been sourced from sustainable sources.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

The company has a Sustainability policy in place which lays down the Company's commitment to Environmental Safety. One of the key focus areas of the Sustainability policy is "Waste Reduction and Reuse". We have various forums like STRIVE, strategic procurement, suggestion schemes, energy conservation teams, and waste reduction teams by alternate process/technology with a clear focus on areas where targets are taken for recycling, reusing and reducing the waste. Some of the key processes in place to safely reclaim our products are listed below:

- Solvent Recovery: We continuously undertake various initiatives to improve our solvent recovery by more than 10%.
- Water Recycling: Through the installation of RO plant and recycling of wastewater, efforts are being made to make manufacturing sites zero discharge.
- Recycling Packaging Material: We undertake decontamination of packaging material for in-house use.
- Waste Recycling: We classify all the waste generated through our operations into Hazardous and Non-Hazardous categories. All of the Non-Hazardous waste is sent to authorized recyclers for disposal.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, EPR is applicable to the Company.

Yes, the waste management plan is in line with EPR plan submitted to Central Pollution Control Board (CPCB) through the EPR Portal.

The Company develops intermediate products that serve as input materials for our customers' finished goods. For the products which go to the end user, we have achieved the utilization of 100 percent recycled paper-based packaging material. Further, the Company ensures strict adherence to the requirements of Plastic Waste Management Rules, 2016, including its subsequent amendments and the requirements of the Pollution Control Board thereby maintaining full compliance with these regulations.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

Yes the Company has initiated Life Cycle Assessments (LCA) for selected products in FY23. The primary aim of these assessments is to comprehensively evaluate the environmental impact of our products throughout the entire value chain. By conducting these assessments, we will gain valuable insights into the environmental footprint associated with our products. This will enable us to identify areas for improvement within the value chain as we move forward.

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No) If yes, provide the web-link.
-	-	-	-	-	-

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

There are no significant social or environmental concerns and/or risks arising from production or disposal of our products. The Company has put in place robust guidelines and standards that are benchmarked against best practices with defined Standard Operating Procedures (SOPs) for identifying and mitigating both social and environmental risks. Conclusion of our ongoing LCA studies will help enhance our environmental performance. This has been discussed in detail in the Natural Capital section in the Integrated Report.

Name of Product / Service	Description of the risk / concern	Action Taken
-	-	-

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material (Solvent recoveries	Recycled or re-used input material to total material	
	FY 22-23 Current Financial Year	FY 21-22 Previous Financial Year
Solvent recovery	87.6%	88.7%

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

The Company uses 100% recycled paper based packaging material and has replaced plastic labels with recyclable paper labels on its products. The Company recognizes the importance of reclaiming its products at the end of their life cycle. Implementing a comprehensive product reclamation program would allow us to effectively manage the end-of-life products and packaging, thereby promoting their reuse, recycling, and safe disposal. This proactive approach aligns with our sustainability goals and demonstrates our commitment to minimizing waste and maximizing resource efficiency.

	FY 22-23 Current Financial Year			FY 21-22 Previous Financial Year		
	Re-Used	Recycled	Safely	Re-Used	Recycled	Safely
Plastics (including packaging)	-	-	-	-	-	-
E-waste						
Hazardous waste						
Other waste						

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	3162	3162	100%	3162	100%	0	NA	3162	100%	0	0
Female	161	161	100%	161	100%	161	100%	0	NA	161	100%
Total	3323	3323	100%	3323	100%	161	4.85%	3162	95.15%	161	4.85%
Other than Permanent employees											
Male	45	45	100%	45	100%	0	NA	0	0%	0	NA
Female	9	9	100%	9	100%	0	NA	0	0%	0	NA
Total	54	54	100%	54	100%	0	NA	0	0%	0	NA

Note: All Permanent and Other than Permanent employees are covered under various well-being initiatives

b.Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	31	31	100%	31	100%	0	NA	0	NA	0	NA
Female	0	0	NA	0	NA	0	NA	0	NA	0	NA
Total	31	31	100%	31	100%	0	NA	0	NA	0	NA
Other than Permanent workers											
Male	1530	0	NA	1530	100%	0	NA	0	NA	0	NA
Female	8	0	NA	8	100%	8	100%	0	NA	8	100%
Total	1538	0	NA	1538	100%	8	0.5%	0	NA	8	0.5%

Note: All Permanent and Other than Permanent workers are covered under various well-being initiatives

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 22-23 Current Financial Year			FY 21-22 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	99.96%	100%	Y
Gratuity	100%	100%	Y	99.96%	100%	Y
ESI*	100%	NA	Y	100%	NA	Y
Others – please specify	NA	NA	NA	NA	NA	NA

*100% of all the eligible employees are covered under ESI

3. Accessibility of workplaces: Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

   We actively encourage individuals with disabilities to apply for job openings and currently employs five people with disabilities at their Gujarat manufacturing facility. As a company that recognizes and values the unique abilities of all individuals, PI Industries provides its disabled employees with necessary tools to perform their jobs efficiently. The company also offers several benefits, such as free transportation, a designated spot in the canteen, and special accommodations, including ramps and modified washrooms, to ensure the safety and comfort of its disabled employees while performing their official duties.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

   At PI Industries, equal opportunity is a fundamental principle, and the company does not discriminate against anyone based on their gender, caste, religion, age (within legal limits), marital status, nationality, ancestry, ethnicity, geographic origin, sexual orientation, disability, or any other protected characteristic. This policy applies to all aspects of employment, including hiring, promotion, transfer, compensation and benefits, career development opportunities, and more. PI Industries follows a merit-based approach when making employment-related decisions and does not consider personal characteristics or traits during the hiring process.

   https://www.piindustries.com/Media/Documents/Human%20Rights%20Commitment.pdf

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	78%	0	0
Female	80%	75%	0	0
Total	99%	78%	Nil (Not Availed)	Nil (Not Availed)

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

Through regular one-on-one contact, we believe in maintaining a strong connection with all of our employees/workers and addressing their issues in a timely manner.

Employees are also encouraged to voice their opinions and provide feedback through key forums such as quarterly town halls, where they can interact with our leadership team and get answers to their questions and concerns. All employees may use the grievance mechanism enabled by the policy objectives listed below:

- All employees may use the grievance mechanism enabled by the policy objectives listed below: To provide staff with an easily accessible mechanism for settlement of their individual grievances. Skip level meetings, Town Halls, and appraisals are also organized to facilitate communication of the grievances of employees.
- To ensure fair, just and equitable treatment and consideration for resolving work related problems.
- To clearly define the process of addressing any complaint or grievance raised by any employee or any action for addressing a breach of discipline / code.
- To establish a framework for corrective action for workers, we have a grievance redressal committee with representation from both management and workers (both permanent and third-party workers) through regular one-on-one contact, PI Industries believes in maintaining a strong connection with all its employees and addressing their issues in a timely manner.

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	FY 22-23 Current Financial Year			FY 21-22 Previous Financial Year		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)*	% (D / C)
Total Permanent Employees	3323	69	2%	2947	1891	64%
Male	3162	62	2%	2842	1890	67%
Female	161	7	4%	105	1	1%
Total Permanent Workers	31	10	32%	40	37	93%
Male	31	10	32%	40	37	93%
Female	0	0	NA	0	0	NA

The Company values inclusive participation and strives for equitable representation across various committees, associations, and Unions. While only some individuals hold membership in these bodies, they diligently uphold the principle of ensuring 100% representation for all others who are not members. This commitment guarantees that the perspectives, concerns, and interests of non-member individuals are effectively represented and considered in the decision-making processes of the committees.

*Data for FY 21-22 includes employees and workers represented in various recognized bodies, whereas the number for FY 22-23 includes employees and workers that hold memberships.

8. Details of training given to employees and workers:

Category	FY 22-23 Current Financial Year					FY 21-22 Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	3207	2182	68%	3115	97.1%	2953	1369	46%	188	6%
Female	170	129	75.9%	167	98.2%	105	22	21%	0	0%
Total	3377	2311	68.4%	3282	97.2%	3058	1391	45%	188	6%
Workers										
Male	1561	1549	99%	28	2%	1626	1626	100%	0	0%
Female	8	8	100%	0	0	0	0	NA	0	NA
Total	1569	1557	99%	28	2%	1626	1626	100%	0	0%

Note: Trainings on skill upgradation includes both soft skill and functional skills. Such trainings are imparted by individual functions basis the need for their own department and are not specifically tracked. This is in addition to the trainings already included in the table above. The table above only includes eligible employees.

9. Details of performance and career development reviews of employees and worker:

Category	FY 22-23 Current Financial Year			FY 21-22 Previous Financial Year		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	2698	2698	100%	2467	2467	100%
Female	109	109	100%	67	67	100%
Total	2807	2807	100%	2534	2534	100%
Workers						
Male	31	31	100%	39	39	100%
Female	0	0	0	0	0	0
Total	31	31	100%	39	39	100%

Note: Only employees eligible for performance and career development reviews are included

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?

Yes, 100% of our sites have a certified occupational health and safety management system. PI has implemented ISO 45001 at 5 out of 5 of its manufacturing sites and R&D facility. The system ensures protection of environment and health & safety of its employees, workers, contractors, visitors, and material stakeholders.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

We have established processes to identify work-related hazards and assess risks to maintain business continuity. For all routine and non-routine activities we have established processes to:

- Identify unsafe behaviors (acts) and conditions through safety walks by area managers and leadership team
- Perform Hazard Identification and Risk Assessment (HIRA), Job Safety analysis (JSA)/Task Based Risk Assessment to assess risks at the workplace
- Assess process related hazards and risks through What-If and Hazop study before commencing the facility
- Perform Pre-Startup Safety Review (PSSR) and Hazop recommendations verification at plants
- Build piping and Instrumentation Design (P&ID) for changes on process, equipment, and product change overs after evaluating potential new hazards through Management of Change (MOC)
- Implement categorized work permit system for all routine and non-routine activities

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, we emphasize on prevention of any work-related hazards and therefore treat our employees and workers as partners to improve workplace safety performance. The company has systems in place to:

- Report near miss incidents to line managers for further investigation and implementation of further control measures
- Identify the unsafe behaviors (acts) and unsafe conditions in their respective work areas to line managers to take corrective measures
- Conduct regular inspection and audit of workplace, equipment and working conditions by safety team
- On spot reward and recognize the contribution of workers in improving the workplace safety
- Participate and consult through safety committee meeting, zonal safety committee and suggestion scheme
- Encourage workers to report any hazards or unsafe conditions without fear of any retribution

d. Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, our employees and workers have access to non-occupational medical and healthcare services. We believe that our employees are our most valuable resource, and their well-being is pertinent to organization's performance. To ensure that our employees have access to services that ensure good health, PI has:

- Group medical policy and group insurance policy for its employees and their families
- Tie up with leading hospitals in the states where PI has its offices and manufacturing sites to avail medical facilities
- Wellbeing program and campaigns for Bone Density analysis, Hypertension, Diabetes, Weight Management, Blood donation camp etc.
- Full-time medical officers in charge, a dispensary, and a well-equipped ambulance at its facilities

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 22-23 Current Financial Year	FY 21-22 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0.11*	0
Total recordable work-related injuries	Employees	0	0
	Workers	1	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

*The number has been rounded off to nearest whole number for XBRL reporting

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

We are committed to ensure continuous improvement in the health and safety practices at our workplaces. We ensure that health and safety results are monitored through various mechanisms and have various initiatives in place to ensure a safe and healthy workplace:

- Induction training to worker and employees before assuming work activities
- Assessment of new employees for complete awareness and knowledge of the system
- Proactive identification of unsafe acts and conditions to prevent their recurrence
- Train manpower with the latest hazards and workplace safety trainings
- Ensure process safety and prevention of high consequence events through risk-based approach and maintenance practices
- Work permit system and risk assessment to perform work activities
- Nurture a safety culture through improvement in employee and worker engagement
- Report all incidents and communicate the learnings to reduce injuries at the workplace

- Rewards and recognition to promote safe culture by exhibiting safe behaviors and identifying hazards and risks at workplace
- Promote safety culture through good housekeeping and identification by labels and signs
- Accreditation of manufacturing sites with ISO standards and internationally recognized audit agencies stay in line with best practices
- Leverage technological interventions in workplace areas and processes
- Strict implementation of safety protocols such as safety gears, use of mobile phones etc.
- Policies and standards review and updates as per latest global practices

13. Number of Complaints on the following made by employees and workers:

Category	FY 22-23 (Current Financial Year)			FY 21-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil		Nil	Nil	
Health & Safety	Nil	Nil		Nil	Nil	

The Company actively promotes a culture of transparency and encourages employees and workers to promptly report any issues related to working conditions and health and safety concerns across all its locations. To facilitate this process, the Company has established an internal portal where employees can lodge complaints and raise their concerns. This portal is regularly monitored, and queries are promptly resolved. Throughout the year, the employees have utilized this platform to bring forward various queries and concerns, which have been diligently addressed by the Company. These are trivial queries and hence not considered here.

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

The Company has an integrated Health Safety and Environment Management system for our overall business. We have a designated and independent Occupational Health and Safety department who puts continuous efforts to ensure safe operations, safety of workers, employees, third party visiting/ working at the sites, job-related safety behaviours and targeting nil or minimized incidents/injuries. Manufacturing plants are fully automated and DCS operated through instrumented controls along with multi layers safety provisions built in. To address safety-related incidents and on significant risks/concerns, we do a root cause analysis to understand the hazards and device a corrective action plan to improve the health and safety practices and working conditions. Besides this we have taken multiple initiatives to address safety related concerns and risks:

- Critical Risk identification exercise associated with process was conducted for all the other manufacturing facilities by the 'senior leadership'
- Introduced and implemented system for inter-site audit to evaluate the mechanical integrity and safe working of all protective safety devices on the process circuits
- Conducted Quantitative risk assessments through an independent third party for storage of key chemicals. Recommendations from the assessment is considered in On-site emergency plan, and same are being exercised during Mock Drills
- Work instructions and display boards are displayed in local languages to ensure information dissemination
- Strengthening good engineering practices to prevent any kind of injury
- Adopt best safety practices in workplace areas to create a safe and healthy environment
- Provision for gas leak detection in OC lab is under implementation
- Fire network analysis adequacy check is under process
- Using audio visuals to strengthen training programs

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

In case of unforeseen events, we have ensured that all the employees and workers are covered under life insurance. The employees and workers are covered under:

- Accidental insurance

- Group term insurance linked with Gratuity
- EDLI linked with PF

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

   All our value chain partners undergo routine assessment where compliance with regards to statutory dues is tracked. Requirement is part of compliance under Employee Provident Funds and Miscellaneous Provisions Act, 1952 and Employees Provident Fund Scheme, 1952 (EPFS), Employees' Pension Scheme, 1995 (EPS), Employees Deposit-linked Insurance Scheme, 1976 (EDLIS). The management oversees statutory compliances through compliance Dashboard and annual audit and makes sure that all its statutory dues are cleared timely.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

   There was one instance of recorded injury where a contract worker was injured. The worker was paid his salary for 3 months during which the worker recuperated and was placed as a supervisor subsequently.

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 22-23 (Current Financial Year)	FY 21-22 (Previous Financial Year)	FY 22-23 (Current Financial Year)	FY 21-22 (Previous Financial Year)
Employees	0	0	0	0
Workers	1	0	0	0

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

   No, there is no formal transition assistance program in place. However, superannuated employees are considered for hiring as advisor-consultants on a case to case basis.

5. Details on assessment of value chain partners:

   The Company has implemented a formal Code of Conduct for Business Partners, which sets forth clear expectations regarding workplace standards. As per this Code, it is essential for value chain partners to ensure the provision of a safe and healthy working environment for their employees and contractors. As per the annual audit plan we had planned on site audit of 29 suppliers out of which 25 have been completed.

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	86%
Working Conditions	86%

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

   No critical observations identified during the audits which can disrupt business and pose threat to wellbeing of the employees and workers. However, housekeeping related observations are shared on a continuous basis and assurance is given by value chain partners to address the same.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

   We recognize the significance of stakeholder engagement and value the inputs and perspectives of our stakeholders in shaping our business strategies and practices. We have established a robust process for identifying key stakeholder groups which involve the following steps:

   Stakeholder Mapping: We conduct a thorough analysis to identify and categorize our stakeholders based on their level of influence and impact on our business. This mapping exercise helps us identify both internal and external stakeholders, including employees, customers, suppliers, investors, regulatory bodies, local communities, non-governmental organizations (NGOs), and industry associations.

   Dialogue and Feedback: We believe in fostering open and transparent communication channels with our stakeholders. We actively engage in dialogue through various means, such as surveys, focus groups, town hall meetings, and stakeholder consultations. These interactions allow us to understand their concerns, expectations, and aspirations related to our operations, products, and sustainability practices.

   Materiality Assessment: To prioritize our stakeholder engagement efforts, we conduct a comprehensive materiality assessment. This involves evaluating the significance of various issues raised by stakeholders based on their potential impact on our business and the broader social, environmental, and economic context. The materiality assessment helps us identify key areas where stakeholder expectations align with our business strategy and sustainability goals.

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Continuous Monitoring: Stakeholder dynamics evolve over time, and it is essential for us to stay updated on their changing needs and expectations. We regularly monitor industry trends, conduct periodic reviews of stakeholder concerns and feedback, and stay informed about emerging social, environmental, and regulatory developments. This helps us adapt our stakeholder engagement processes and strategies to ensure ongoing relevance and effectiveness.

Collaboration and Partnerships: We actively seek opportunities for collaboration and partnerships with our stakeholders. By engaging in multi-stakeholder initiatives, industry associations, and platforms focused on sustainable development, we foster dialogue, share best practices, and collaborate on addressing shared challenges. These collaborations enable us to gain insights, build trust, and co-create innovative solutions that benefit both our business and our stakeholders.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other)	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	• Regular employee engagement initiatives • Annual performance appraisal • Annual employee satisfaction survey • Internal Portal • Townhalls • E-mail communications	• Ongoing	• Employee satisfaction • Talent retention • Remuneration and other employee benefits • Grievance resolution • Diversity and equal opportunity • Safety, health and well-being
Investors and shareholders	No	• Annual General Meeting • Investors meet and periodic correspondence • E-mail communications • Company Website	• Ongoing	• Shareholding pattern • Disclosures in the public domain • Sustainable growth of business and profitability • Timely receipt of dividends • New business strategies • Business plans • Sound corporate governance mechanisms
Customers and partners, including farmers	No	• Regular meetings with sales associates • Website, product brochures, newsletter, social media • Forums, seminars and conferences • Customer satisfaction survey • Field demonstrations and trainings • E-mail communications	• Ongoing	• Customer satisfaction • Product innovation and new product development • Market competition • Investment opportunities • Communication to the customer and partners • Customer health and safety • Productivity
Suppliers	No	• Annual and half-yearly supplier audits • Regular meetings • Tendering process • Supplier survey • Meetings by purchase department • E-mail communications	• Ongoing	• Suppliers' assessment and training • Sharing business plans • Safety, Sustainability objectives, Training
Community	Yes	• CSR initiatives	• Ongoing	• Sustainable agriculture • Community well-being • Infrastructure development • Local employment • Women empowerment • Healthcare • Impact Assessment
Regulatory bodies	No	• Compliance reports • Corporate website • Annual reports	• Ongoing	• Statutory compliance • Product safety • Corporate governance mechanisms • Environment impact of our operations

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Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how feedback from such consultations is provided to the Board.

   The Company recognizes the significance of stakeholder engagement in achieving our growth objectives. For detailed insights into the processes of engaging stakeholders and facilitating feedback to the Board, please refer to the Stakeholder universe and engagement section of the Integrated Annual Report.

   As part of our commitment, the Board has set specific ESG targets, and we provide annual progress reports on these targets to ensure stakeholders remain informed about our ongoing initiatives. This comprehensive reporting approach underscores our steadfast commitment to transparency, offering stakeholders a complete and transparent overview of the Company's performance and our progress in fulfilling our ESG commitments.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

   Yes, stakeholder consultation has played a crucial role in supporting the identification and management of environmental and social topics within the Company. Through active engagement with stakeholders, we have identified material environmental and social topics that hold significance for both stakeholders and our business. These material topics were then prioritized based on their impact.

   To gain detailed insights into the identification of material topics and the incorporation of stakeholder inputs, refer to the Stakeholder universe and engagement and Materiality Assessment sections of this Integrated Annual Report. These sections provide comprehensive information on how stakeholder inputs were integrated into our policies and activities to address the identified material topics.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

   The Company recognizes the importance of addressing the concerns of vulnerable and marginalized stakeholder groups, and we have implemented various programs and initiatives through our Corporate Social Responsibility (CSR) efforts to support these communities. Our CSR initiatives are strategically designed to address the specific needs of these groups and other community members.

   For more information, please refer the Social and Relationship Capital section of this Integrated Annual Report.

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 22-23 Current Financial Year			FY 21-22 Previous Financial Year		
	Total (A)	No. of employees/ workers covered (B)	% (B / A)	Total (C)	No. of employees/ workers covered (D)	% (D / C)
Employees						
Permanent	3323	1313	39.5%	2947	2397	81.34%
Other than permanent	54	39	72.3%	71	29	40.85%
Total Employees	3377	1352	40%	3018	2426	80.38%
Workers						
Permanent	31	5	16.1%	40	30	75.00%
Other than permanent	1538	0	0	1626	0	0
Total Workers	1569	5	0.3%	1666	30	2%

Note: Regular discussions are conducted with employees and workers to enhance their understanding of human rights and familiarize them with the Company's Code of Conduct and Human Right Commitment Policy. In addition to HR-led sessions and e-modules, functional team leads also provide training and awareness sessions to all employees and workers, including new hires.

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 22-23 Current Financial Year					FY 21-22 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent	3323	0	0%	3323	100%	2947	0	0%	2947	100%
Male	3162	0	0%	3162	100%	2842	0	0%	2842	100%
Female	161	0	0%	161	100%	105	0	0%	105	100%
Other than Permanent	54	0	0%	54	100%	71	0	0%	71	100%

Category	FY 22-23 Current Financial Year					FY 21-22 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Male	45	0	0%	45	100%	71	0	0%	71	100%
Female	9	0	0%	9	100%	0	0	0%	0	NA
Workers										
Permanent	31	0	0%	31	100%	40	0	0%	40	100%
Male	31	0	0%	31	100%	40	0	0%	40	100%
Female	0	0	0%	0	0%	0	0	0%	0	NA
Other than Permanent	1538	0	0%	1538	100%	1626	0	0%	1626	100%
Male	1530	0	0%	1530	100%	1626	0	0%	1626	100%
Female	8	0	0%	8	100%	0	0	0%	0	NA

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (in lakhs)	Number	Median remuneration/ salary/ wages of respective category (in lakhs)
Board of Directors (BoD)	2	716.19	0	-
Key Managerial Personnel	1	317.49	1	138.11
Employees other than BoD and KMP	3159	8.22	160	6.49
Workers	31	5.29	0	-

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

   Yes, we have a Vigilance and Ethics Officer. The officer is responsible for addressing human rights impacts or issues caused or contributed to by the business.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

   Vigil mechanism: We have a strong mechanism in place. Should anyone want to report any compliance violations there is a 'vigil mechanism' published by the company on the company's website which any person may follow to file the complaint even if they want to file it anonymously.

   The monthly meets of our regional, territory and zonal managers with HRBP provides a forum that promotes positive work environment and fosters trust and respect between employees and management.

   Also, there is a Grievances Management portal which tracks the status of grievances registered by employees. We plan to extend this portal to our other functions.

   Link to the Policies and details of grievance mechanism: https://www.piindustries.com/wp-content/uploads/2023/06/Human-Rights-Commitment-Revised.pdf

   https://www.piindustries.com/wp-content/uploads/2023/06/Whistle-Blower-Policy-updated.pdf

6. Number of Complaints on the following made by employees and workers:

Category	FY 22-23 Current Financial Year			FY 21-22 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	3	NIL	Complaints were dealt per the company's procedures and policies	0	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced abour/Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other human Rights related issues	0	0	NA	0	0	NA

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7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

   The Company has a process to receive and redress concerns/grievances received related to discrimination and harassment cases.

   For the complaints received under the POSH Policy, the Company has a section mentioned on the protection of identity of the complainant. All such matters are dealt in strict confidence.

   For the complaints related to Whistleblower Policy, identity of the complainant is protected and emphasis is put on ensuring that no unfair treatment is imposed to a Whistle Blower by virtue of his/ her having reported a Protected Disclosure under this policy.

   Additionally, Company's Code of Conduct, ad Human Rights Commitment policy put emphasis on treating each complaint in the most fair and reasonable manner. The Company does not tolerate any form of retaliation against anyone reporting legitimate concerns. Anyone involved in targeting such a person will be subject to disciplinary action.

   Company conducts regular training sessions on the Company's code of conduct to encourage best practices at the workplace as well. The employees are encouraged to speak with their line managers or HR representatives regarding issues concerning discrimination or harassment of any kind without fear of retaliation.

   Company's policies aim towards full protection towards the complainant, and mandate that all such matters are to be dealt with strict confidence.

   Policy for prevention of sexual harassment provides for the confidentiality of Complaintshttps://www.piindustries.com/wp-content/uploads/2023/06/PI-POSH-Policy-26-April-23-U.pdf

   https://www.piindustries.com/wp-content/uploads/2023/06/Whistle-Blower-Policy-updated.pdf

8. Do human rights requirements form part of your business agreements and contracts?

   (Yes/No)

   Yes, we mandatorily evaluate all our vendors listed EHS Management systems and certain aspects of sustainability. All vendors are required to provide declarations on payment of wages, health & safety of employees, no discrimination on basis of gender, caste, creed, religion etc. and no use of child labour. The same has also become a part of agreements with institutionalized customers.

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	-

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

    There were no significant risks / concerns arising from the assessments.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

   During the reporting period, no business processes have been modified or introduced for addressing human rights grievances/complaints. We periodically review our processes and assess the need to change.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

   The Company is fully dedicated to upholding and safeguarding Human Rights, taking appropriate action to address any violations that may arise. For instance, this includes addressing concerns related to human trafficking, forced labor, child labor, freedom of association, the right to collective bargaining, equal pay, and discrimination. Our efforts aim to promote equal employment opportunities, ensuring fairness in distribution, procedures, and interactions. We strive to cultivate a safe and harassment-free work environment while upholding fundamental rights. As an equal opportunity employer, we strictly prohibit discrimination in any form or aspect. Refer to the Company's Human Rights Commitment Statement on our website at https://www.piindustries.com/Media/Documents/Human%20Rights%20Commitment.pdf

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

   Yes, most of our premises are accessible to differently abled visitors. To make our workplaces. To make our workplaces more inclusive we have disabled friendly washrooms, handrails on the staircase, caution tape markings on the staircases, skid proof mats, sensor-based taps & wherever possible we have introduced DE&I in washrooms.

4. Details on assessment of value chain partners:

   In accordance with Company's policy, it is imperative that all value chain partners demonstrate utmost respect and dignity towards all employees. They must strictly adhere to a zero-tolerance approach regarding unacceptable behaviors such as sexual harassment, workplace discrimination, and any involvement in child labor, forced labor, or involuntary labor. Moreover, it is expected that value chain partners create a safe and healthy working environment for their employees and contractors. To ensure compliance, business partners must adhere to local and national laws and regulations pertaining to occupational health and safety. They are also required to possess the necessary permits, licenses, and permissions authorized by relevant local and national authorities. The Company has received a declaration from almost 90% of its vendors regarding the given parameters in the Vendor Registration Form.

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	-
Discrimination at workplace	-
Child Labour	-
Forced Labour/Involuntary Labour	-
Wages	-
Others – please specify	-

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

   There were no significant risks / concerns arising from value chain partners.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 22-23 Current Financial Year	FY 21-22 Previous Financial Year
Total electricity consumption (A) (in giga joules)	5,44,240	4,92,981
Total fuel consumption (B) (in giga joules)	9,18,889	8,60,056
Energy consumption through other sources (C) (in giga joules)	0	0
Total energy consumption (A+B+C) (in giga joules)	14,63,129	13,53,036
Energy intensity per rupee of turnover (in gj / rupees) (Total energy consumption/ turnover in rupees)	0.000023*	0.000026*
Energy intensity (optional) - per Million rupees of turnover	23	26

* The number has been rounded off to nearest whole number for XBRL reporting

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, assurance is conducted externally by Ernst & Young Associates LLP ('EY')

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any

   Not applicable for the us as we do not fall in the category of industries mandated under PAT scheme.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 22-23 Current Financial Year	FY 21-22 Previous Financial Year
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	19,119	0
(iii) Third party water	9,61,101	8,81,445
(iv) Seawater / desalinated water	0	0
(v) Others	2,536	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	9,82,756	8,81,445
Total volume of water consumption (in kilolitres)	9,27,114	8,81,445
Water intensity per rupee of turnover (in kl / rupees) (Water consumed / turnover)	0.000015*	0.000017*
Water intensity (optional) - per Million rupees of turnover	15	17

* The number has been rounded off to nearest whole number for XBRL reporting

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, assurance is conducted externally by Ernst & Young Associates LLP ('EY')

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

   Two of the company's sites; R&D facility at Udaipur and Formulation facility at Panoli are Zero Liquid Discharge units. The company is implementing ZLD measures in a phased manner at other manufacturing facilities. At Jambusar site, the company is installing 650 KLD RO system to recycle treated wastewater in FY 2023-24.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 22-23 Current Financial Year	FY 21-22 Previous Financial Year
NOx*	MT	46.6	80.8
SOx*	MT	51.3	114.7
Particulate matter (PM)	MT	49	77.1
Persistent organic pollutants (POP)	MT	NA	NA
Volatile organic compounds (VOC)	MT	NA	NA
Hazardous air pollutants (HAP)	MT	NA	NA
Others – please specify	MT	NA	NA

*Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, assurance is conducted externally by Ernst & Young Associates LLP ('EY')

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 22-23 Current Financial Year	FY 21-22 Previous Financial Year
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO_2	65,695	59,247
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO_2	106,785	1,12,197
Total Scope 1 and Scope 2 emissions per rupee of Turnover (in MTCO2 / rupees)	tCO_2 / rupees	0.0000026*	0.0000034*
Total Scope 1 and Scope 2 emission intensity (optional) – in MTCO2/million rupees	tCO_2 /million rupees	2.6	3.4

* The number has been rounded off to nearest whole number for XBRL reporting

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, assurance is conducted externally by Ernst & Young Associates LLP ('EY')

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Each year PI Industries is investing on Green House Gas emission reduction initiatives. This year PI Industries introduced following projects:

- Captive solar power project of capacity 637 KWp at two sites
- Initiation of change of fuel from LDO to NG. This project will be commissioned in FY 2023-24
- Initiation of project to increase renewable energy contribution through open access purchase of hybrid power at its manufacturing facilities

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 22-23 Current Financial Year	FY 21-22 Previous Financial Year
Total Waste generated (in metric tonnes)		
Plastic waste (A)	287	290
E-waste (B)	5.0	5.3
Bio-medical waste (C)	0.03	0.06
Construction and demolition waste (D)	0.0	0.0
Battery waste (E)	16.9	5.0
Radioactive waste (F)	0.0	0.0
Other Hazardous waste. Please specify, if any. (G)	28,622	24,237
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	1,525	2,197
Total (A+B + C + D + E + F + G + H)	30,456	26,734
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)*		
Category of waste		
(i) Recycled	11,861	6,598
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	11,861	6,598

Parameter	FY 22-23 Current Financial Year	FY 21-22 Previous Financial Year
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)*		
Category of waste		
(i) Incineration	1,136	3,291
(ii) Landfilling	6,959	4,257
(iii) Other disposal operations	8,922	11,057
Total	17,017	18,604

*Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, assurance is conducted externally by Ernst & Young Associates LLP ('EY')

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

   At PI, we manage waste scientifically by segregation at source as per waste's characteristics. The waste management philosophy of PI Industries is to reduce the amount of waste generated and effectively manage the waste generated.

   Low COD/Lows TDS wastewater is treated in Effluent Treatment Plant while High COD/High TDS wastewater is treated in in-house Multiple Effect Evaporator (MEE) first and then Common approved MEE facilities outside. Incinerable waste (solid and liquid) is sent for disposal to common incinerator facilities (TSDF) and to cement industries for co processing.

   In line with principles of Responsible Care, use of hazardous and toxic chemicals in products is discouraged. At PI, we believe "what gets measured gets managed". A 'Product Lifecycle Approach' to assess impacts of products across all stages of development has been adopted. At R&D stage, waste generation-based E-factor calculation has been adopted.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

    None of our offices/operations are in or around ecologically sensitive zones.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

    We were not required to undertake any environmental impact assessments as per applicable laws in the current financial year.

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

    Yes, all our manufacturing sites are fully compliant as per Water, Air, Environment Act and rules thereunder.

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 22-23 Current Financial Year	FY 21-22 Previous Financial Year
From renewable sources		
Total electricity consumption (A)	26,280	21,497
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	26,280	21,497
From non-renewable sources		
Total electricity consumption (D)	5,17,959	4,71,484
Total fuel consumption (E)	9,18,889	8,60,056
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	14,36,848	13,31,539

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, assurance is conducted externally by Ernst & Young Associates LLP ('EY')

2. Provide the following details related to water discharged:

Parameter	FY 22-23 Current Financial Year	FY 21-22 Previous Financial Year
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(ii) To Groundwater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) To Seawater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties		
- No treatment (MEEable effluent)	1,18,415	1,34,444
- With treatment – please specify level of treatment (ETP having primary, secondary and tertiary)	2,60,995	2,61,747
(v) Others		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	3,79,410	3,96,191

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, assurance is conducted externally by Ernst & Young Associates LLP ('EY')

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area – Udaipur

(ii) Nature of operations – Research and Manufacturing facilities

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 22-23 Current Financial Year	FY 21-22 Previous Financial Year
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	19,119	0
(iii) Third party water	18,188	29,594
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres)	37,307	29,594
Total volume of water consumption (in kilolitres)	37,307	29,594
Water intensity per rupee of turnover in (kl / rupees) (Water consumed / turnover)	Refer Note	
Water intensity (optional) –the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(ii) Into Groundwater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) Into Seawater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(v) Others		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	0	0

Note: The Udaipur facility serves as a dedicated Research and Development center. As a result, no specific turnover is allocated to the facility, given its focus on research and development activities.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, assurance is conducted externally by Ernst & Young Associates LLP ('EY')

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 22-23 Current Financial Year	FY 21-22 Previous Financial Year
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent		
Total Scope 3 emissions per rupee of turnover		-	-
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not applicable

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Roof top solar project (capacity: 637 KWp) done in FY 22-23	We installed rooftop solar system having capacity of 500 KWp at our plant in May-2023 and 137 KWp capacity at our R&D facility in October 2023.	Contribution of renewable energy increased from 4.2% to 5%.
2	Installation of 650 KLD RO system	650 KLD RO system installation is underway to recycle treated effluent coming out from ETP.	Reduction of approx. 30% fresh-water consumption at site.
3	Fuel change from LDO to LNG	Fuel change from LDO to NG. Project is under execution and commissioning will take place in FY 2023-24.	Reduction in Scope-1 GHG emission in FY 2023-24

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes, an emergency plan for all manufacturing sites is in place. Our Emergency Response plan clearly defines events into three categories (crisis, emergency, and incidents) In all cases, the basic protocol is to ensure the safety of the people present at the site through either evacuation or gathering at assembly points and medical support (first aid and emergency medical services). Our facilities are designed in a way that all MPPs and other departments have access to escape/evacuation routes and assembly points.

The plan also clearly defines who is responsible for each action item. The emergency escalation matrix defines the course of action in case of any uncontrollable event.

Besides this, there are frequent rehearsal drills and exercises, the outcomes of which are recorded and incorporated in the plan.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

No incident of any significant adverse impact to the environment, arising from the value chain of the entity in last 2 years.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

95% of our Raw Material/Packaging Material (RM/PM) suppliers have been assessed for sustainable sourcing including Environmental Impacts. The assessments are conducted at the time of on-boarding vendors.

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

The Company is affiliated with 6 (six) trade and industry chambers / associations.

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sr. No	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Federation of Indian Chambers of Commerce & Industry (FICCI)	National
2	Udaipur Chamber of Commerce & Industry (UCCI)	State
3	Crop Care Federation of India	National
4	Confederation of Indian Industry (CII)	National
5	Indian Chemical Council	National
6	Institute of Directors	National
7	CropLife India	National

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
	None	

Leadership Indicators

1. Details of public policy positions advocated by the entity:

   Not Applicable

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

   Not Applicable

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

   Not Applicable

3. Describe the mechanisms to receive and redress grievances of the community.

   Our communities are integral to our growth and thus there are forums and mediums to receive their feedback. The Company promotes a transparent mechanism for resolving their grievances in a just, fair, and timely manner. Company has a process to receive and redress concerns/grievances received from the community. A site level committee consisting of members from various departments viz. administration, CSR, operations etc. is formed which receives the concerns (if any, and in written/verbal) and works towards its redressal. Detailed investigation is done and the concern is addressed appropriately in a timely manner. Additionally, the Company proactively engages with the community as a part of the development work. Summary of such interaction done with the various stake holders is as below.

Meeting with stake holder	Periodicity of communication	Type of interaction
Local Community & Local Gram Panchayat along with CBOs like SHGs and others	Monthly basis by Partner and Quarterly Basis by PI Foundation	General meeting with community & CBOs and one to one interaction with Sarpanch Gram Panchayat to seek the feedback and progress update
Non-Government Organizations (NGOs)	Quarterly Basis	General Meeting to seek the feedback and progress update
Government Authorities (Collector, District Development Officer and SDM), MLA, Opinion Leaders & other regulatory bodies Prant & District Level CSR Committees)	Monthly Basis	One to one interaction with Collector, District Development Officer and SDM) and participating in regulatory bodies of CSR- Prant & District Level CSR Committees as and when organized.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 22-23 Current Financial Year	FY 21-22 Previous Financial Year
Directly sourced from MSMEs/ small producers	12%	13%
Sourced directly from within the district and neighbouring districts	36%	35%

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
No negative Social Impact identified in SIAs.	NA

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In INR)
1.	Punjab(Project Sahyog)	Moga(As per Report shared by Roots Foundation)	INR 2,46,573

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized / vulnerable groups? (Yes/No)

   No, we don't have a preferential procurement policy which gives preference to any supplier. Procurement is done solely based on parameters like cost, quality, sustainability, etc.

(b) From which marginalized /vulnerable groups do you procure? Not Applicable

(c) What percentage of total procurement (by value) does it constitute? Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

   Not Applicable

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

   Not Applicable

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project (FY22-23)	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Project Bandhan	10,235	80%
2	Integrated Pest Management of Black Thrips in Chilli (Operation Nalla Tamara Purgu)	2,000	80%
3	Project Sahyog(Awareness about use of agrochemicals)	6,600	80%
4	Vocational Training Program on Chemical Plant Operators and QA & QC at DDU, Nadiad	108	100%
5	Employability cum Skill Training Centre at Jambusar	556	100%
6	Improvement in School for 81 villages in 125 schools of Jambusar	15,466	100%
7	Imparting quality education & vocational training for the rehabilitation of differently-abled children	242	100%
8	Project Digital Shala	NA	100%
9	Prime Minister's Fellowship Scheme for Doctoral Research for Agricultural Chemistry	2	50%
10	Project Vriddhi for Child & Adolescent Nutrition	13,286	100%
11	Mobile Health Unit "Arogya Sanjivini"	91,741	100%
12	Annual Maintenance of 5 Oxygen Plant	50,000	100%
13	Project Asmita	2,911	100%
14	Improved Agriculture & Inclusive Dairy Value Project	3,444	100%
15	Utkarsh Kiran Pahel: Support to establish Agriculture Demonstration Project through Innovative Farming Practices	2,992	100%
16	Tree Plantation & Developing Green Cover	5,000	60%
17	Adoption of Primary Schools (Distribution of Notebooks & writing material to 6000 children in 24 schools)	5,897	100%
18	Saving Little Hearts- Aishwarya Trust	73	100%

S. No.	CSR Project (FY22-23)	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
19	Supporting Integrated Drinking Water Project at Plant Locations - Jambusar (In the Villages under the Swajal Dhara programme)	8,500	100%
20	Upkeeping & Maintenance of School Toilets constructed under the Swachh Bharat Abhiyan Program (in 12 Schools)	3,500	100%
21	Development of Rural Roads in Jambusar	10,000	60%
22	Strengthening of Community Centre at Sarod Vanta	2,000	100%
23	Development of children's park at Vedach	864	100%

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

   We have channels through which customers can reach out to us and raise queries/complaints. We aim to escalate and resolve complaints in a time-bound period depending on the nature of the complaint. Customers can reach out to us through:

   a. Phone: We can be reached out on our toll-free number during business hours. Ticket is raised based on the customer query/complaint and assigned to the concerned function which resolves it within the specified time frame. In case the complaint requires escalation, the escalation matrix is also defined in the system.

   b. Company Website: Through 'Contact us' page on PI's website one can reach out to us. One can submit their queries/complaints on this page using their mobile number and e-mail ID. The concerned team then reviews the submission and shares it with the respective functional team to resolve those queries/complaints.

   c. Product Labelling: The appropriate e-mail id and telephone number is provided on the product label for consumers to contact the Company.

   Following is the link where all channels of communication are given: https://www.piindustries.com/ContactUs.aspx

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

3. Number of consumer complaints in respect of the following:

Category	FY 22-23 Current Financial Year		Remarks	FY 21-22 Previous Financial Year		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	NONE	NONE		NONE	NONE	
Advertising	NONE	NONE		NONE	NONE	
Cyber-security	NONE	NONE		NONE	NONE	
Delivery of essential services	NONE	NONE		NONE	NONE	
Restrictive Trade Practices	NONE	NONE		NONE	NONE	
Unfair Trade Practices	NONE	NONE		NONE	NONE	
Other	6	21	Pending at Consumer Forums across India since last 5 years	5	19	Pending at Consumer Forums across India since last 5 years

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	None	
Forced recalls	None	

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

   PI Industries has a policy on cyber security and risks related to data privacy. Additionally, PI is an ISO 27001:2018 (Information Security Management System) certified company and has rolled out corporate policies and initiatives to ensure necessary compliance at internal as well as external stakeholders' end.

   The risk management policy of the organization identifies cybersecurity and IT risk as a primary risk and defines the mechanism to identify and monitor the implications of the risk. The data privacy policy educates our consumers on the data we collect and retain. The relevant policies can be found at-

   https://www.piindustries.com/Privacy-Policy

   https://www.piindustries.com/Media/Documents/Risk%20Management%20Policy.pdf

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

   No such incident.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

   We continue to display information on our products and services on multiple platforms such as:

   1. PI's website- https://www.piindustries.com
   2. Social Media Handles:
      a. LinkedIn - https://www.linkedin.com/company/pi-industries-ltd/
      b. Instagram Handle - https://www.instagram.com/piindltd/
      c. Facebook ID - https://www.facebook.com/PiindustriesLtd
      d. Twitter - https://twitter.com/PIINDLTD
   3. Other handles where PI products and services are published
      a. https://www.facebook.com/PIMitra
      b. https://www.youtube.com/@piindustries1603
      c. https://www.youtube.com/@PIMitra

   At PI Industries, we have different websites/ platforms through which we provide information on the products and services to our stakeholders.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

   Company's brochures, and large demonstration sessions are utilized to educate consumers about safe and responsible usage, at frequent basis, along with clear product labelling and packaging

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

   The Company remains in constant touch with its business partners and informs them of such risks through emails and phone calls.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.

   Yes, we comply with all the local requirements to register and sell products. We also continue to provide detailed Material Safety Data Sheet (MSDS) along with the products which has details about chemical components used, its requirements, hazardous/non-hazardous data, logistics requirement, safe storing conditions. These MSDS are also available in local languages for farmers, distributors, retailers, and sellers.

   Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

   Yes

5. Provide the following information relating to data breaches:

   a. Number of instances of data breaches along-with impact: NIL

   b. Percentage of data breaches involving personally identifiable information of customers: NIL

Independent Auditor's Report

To the Members of PI Industries Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of PI Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act . Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Assessment of carrying values of **(i) Goodwill created on business combination; and** **(ii) Investment in a wholly owned subsidiary** **(Refer to note 5 and 7(a) in the standalone financial statements)** The carrying value of Goodwill recognised on acquisition/ merger of Isagro (Asia) Agrochemicals Private Limited and the Company's equity investment in a wholly owned subsidiary Jivagro Limited as on March 31, 2023 is INR 671 Million and INR 1,489 Million, respectively. Goodwill is carried at cost and is tested annually for impairment in accordance with the requirements of Indian Accounting Standard 36 'Impairment of Assets', by estimating the recoverable amount of the Cash Generating Unit (CGU) to which the goodwill belongs. The investment in wholly owned subsidiary is carried at cost less accumulated impairment losses, if any. The Company has performed an assessment of appropriateness of the carrying amount of the goodwill and investment as on the balance sheet date by estimating the recoverable value of the related CGU and the investment, using the discounted cash flow model with the involvement of a valuation expert engaged by the management. Based on its assessment, the management has concluded that no provision for impairment was necessary as at March 31, 2023. We have considered this to be a key audit matter as the carrying value of the goodwill and investment is significant to the standalone financial statements and the assessment of recoverable value using discounted cash flows forecast required significant management judgement in respect certain key inputs like determining an appropriate discount rate, future cash flows and terminal growth rate.	**Our audit procedures included the following:** • Understanding the design and testing the operating effectiveness of controls around assessment of the recoverable amount of the CGU and investment. • Evaluated the Company's accounting policy in respect of impairment assessment of goodwill and investments and assessed whether the Company's determination of CGU was consistent with our knowledge of the Company's operations. • Reading minutes of the meetings of the Board of Directors/ Audit Committee and verifying compliances with the relevant provisions of the Companies Act 2013. • Evaluating the independence, competence, capabilities and objectivity of the valuation expert engaged by the management; • Reading the report prepared by the external valuation expert engaged by the management and understanding and evaluating, the projections thereon by testing key inputs and assumptions made in the value in use calculations and performing sensitivity analysis. • With the involvement of auditor's expert, assessed the key assumptions considered in forecasting the cash flows for assessment of recoverable amount of the CGU and Investment. • Verifying the adequacy and appropriateness of the disclosures made in the standalone financial statements. Based on our procedures performed above, the management's assessment of the carrying amount of goodwill and investment is considered appropriate.

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the financial statements and our auditor's report thereon.

   Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

6. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

9. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

13. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

14. As required by Section 143(3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

    (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 15 and 33 to the standalone financial statements;

        ii. The Company has long-term contracts including derivative contracts as at March 31, 2023 for which there were no material foreseeable losses.

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year.

        iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 41(ii) to the financial statements);

        (b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 41(ii) to the financial statements); and

        (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

        v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

        vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Company, is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

15. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Sd/-
Sougata Mukherjee
Partner
Membership Number: 057084 UDIN: 23057084BGYFRK4898

Date: May 18, 2023
Place: Gurugram

Annexure A to Independent Auditor's Report

Referred to in paragraph 14 (f) of the Independent Auditor's Report of even date to the members of PI Industries Limited on the standalone financial statements for the year ended March 31, 2023

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of PI Industries Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Sd/-
Sougata Mukherjee
Partner
Membership Number: 057084

Date: May 18, 2023
Place: Gurugram

Annexure B to Independent Auditors' Report

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of PI Industries Limited on the standalone financial statements as of and for the year ended March 31, 2023

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.

(b) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of all the immovable properties (including properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 4 to the standalone financial statements, are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise

ii. (a) The physical verification of inventory excluding stocks with third parties has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

(b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the unaudited books of account. However the Company has not filed return or statements for the quarter ended March 31, 2023 with the banks and accordingly, we are unable to comment on such reconciliations as required by clause 3(ii)(b).

iii. (a) The Company during the year has made investments in three wholly owned subsidiaries, four deposits with the Financial Institution and granted unsecured loan to one wholly owned subsidiary. The Company during the year has not granted any secured loans/advances in nature of loans or stood guarantee, or provided security to any parties during the year. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loan to wholly owned subsidiary, is as per the table given below:

	Loans (Amount in INR Million)
Aggregate amount granted/ provided during the year - Subsidiary	690
Balance outstanding as a balance sheet date in respect of above case - Subsidiary	690

(Also refer Note 41 (viii) to the standalone financial statements)

(b) In respect of the aforesaid investments / loan, the terms and conditions under which such investments were made/ loan was granted are not prejudicial to the Company's interest.

(c) In respect of the loan the schedule of repayment of principal and payment of interest has been stipulated, and the party is repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.

(d) In respect of the loan, there is no amount which is overdue for more than ninety days.

(e) There were no loans which fell due during the year and were renewed/extended. Further, no fresh loans were granted to same parties to settle the existing overdue loan.

(f) The loan granted during the year, including to related parties had stipulated the scheduled repayment of principal and payment of interest and the same were not repayable on demand There were no loan granted during the year to Promoters.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of the loan and investments made, and there were no Guarantee/securities provided under aforesaid section. The Company has not provided any loans/guarantees/security and made any investments to the parties covered under Section 185 of the Act.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, except for dues in respect of provident fund, the Company is regular in depositing undisputed statutory dues, including employees' state insurance, income tax, duty of customs, cess, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities. The extent of the arrears of statutory dues outstanding as at March 31, 2023, for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Due date	Date of Payment	Remarks, if any
The Employee Provident Funds and Miscellaneous Provision Act, 1952	Provident Fund	984,434	2022-23	Multiple	Paid on May 17, 2023	Delayed on account of non-updation of Aadhar number by few employees

Also, refer note 33 to the standalone financial statements regarding management's assessment on certain matters relating to provident fund.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of provident fund, employees' state insurance, cess, service-tax which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at March 31, 2023 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount Demanded (Rs. In Million)	Amount Paid under Protest (Rs. In Million)	Period to which the amount relates	Forum where the dispute is pending
Assam Value Added Tax Act, 2003	Value Added Tax (excluding interest and penalty)	0.15	0.04	2007-08	Joint Commissioner Guwahati
Kerala Value Added Tax Act, 2003		0.34	0.34	2008-09	Deputy Commissioner (Appeals) Earnakulam
Kerala Value Added Tax Act, 2003		0.18	0.18	2009-10	Deputy Commissioner (Appeals) Earnakulam
Madhya Pradesh Value Added Tax Act, 2002		0.40	0.40	2011-12	Deputy Commissioner (Appeals), Indore
Gujarat Value Added Tax Act, 2003		18.59	18.59	2012-13	Joint Commissioner, Baroda
Gujarat Value Added Tax Act, 2003		11.69	11.69	2013-14	Joint Commissioner, Baroda
West Bengal Value Added Tax Act, 2003		0.25	0.25	2013-14	Taxation Tribunal, Kolkata
Integrated Goods and Services Tax	GST	181.98	-	2017-18, 2018-19	High court of Gujarat, Ahmedabad
Income Tax Act, 1961	Income Tax (Excluding interest and penalty)	24.31	-	2008-09	Rajasthan High Court
		29.34	-	2009-10	Rajasthan High Court
		15.30	-	2010-11	Rajasthan High Court
		24.61	-	2011-12	Rajasthan High Court
		14.58	14.58	2015-16	CIT (Appeals)
		96.61	96.61	2016-17	CIT (Appeals)
		209.26	84.22	2017-18	CIT (Appeals)
		25.70	0.50	2009-10	CIT (Appeals)
		10.21	2.04	2010-11	CIT (Appeals)
		0.11	0.02	2013-14	CIT (Appeals)
		103.76	20.75	2016-17	CIT (Appeals)
Central Excise Act, 1944	Excise Duty (Excluding interest and penalty)	4.49	4.49	1987-88	Rajasthan High Court
	Cenvat Credit (Excluding interest and penalty)	15.92	-	March 2011 to June 2013	CESTAT, Ahmedabad
	Excise Duty (Excluding interest)	379.88	20.69	2004-2017	Central Excise and Appellate Tribunal, Ahmedabad
		1.45	0.05	2016-17	Commissioner CGST (Appeal), Ahmedabad
		7.89	0.73	April 2009 to June 2017	CESTAT, Ahmedabad
		50.06	1.88	September 2015 to June 2017	CESTAT, Ahmedabad

Name of the statute	Nature of dues	Amount Demanded (Rs. In Million)	Amount Paid under Protest (Rs. In Million)	Period to which the amount relates	Forum where the dispute is pending
Custom Act, 1962	Custom Duty (Excluding interest)	90.82	3.40	2018-19	CESTAT, Ahmedabad
Custom Act, 1962	Custom Duty (Including interest and Penalty)	17.66	-	2019-20	Principal Commissioner of Customs, Ahmedabad
Custom Act, 1962	Custom Duty (Including Penalty and Fine)	17.71	-	January 2016 t0 January 2019	Pending to be filed in CESTAT, Mumbai
Custom Act, 1962	Custom Duty (Including Penalty and Fine)	389.14		February 2018 to November 2022	Commissioner of Custom (NS-1), JNCH

viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix. (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, and according to the information and explanations given to us, the term loans which were taken in earlier year, as reported in previous year have been applied for the purposes for which they were obtained. (Also refer Note 14(a)(e) to the financial statements).

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, the Company has not raised funds on short term basis.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associate or joint venture.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint venture or associate company.

x. (a) In our opinion, and according to the information and explanations given to us, the money raised by way of further public offer during FY 2020-2021 (Qualified Institutional Placement) which were not required for immediate utilisation were invested in mutual funds, bank deposits (refer note 42). The company has not raised any money by way of Initial Public offer of equity or further public offer (including debt Instruments) during the year.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, the Company has received whistle-blower complaint during the year, which have been considered by us for any bearing on our audit and reporting under this clause.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.

xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the period under audit have been considered by us.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.

xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year

xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 29B to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

xx. (a) In respect of other than ongoing projects, as at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable.

(b) The Company has transferred the amount of Corporate Social Responsibility remaining unspent under sub-section (5) of Section 135 of the Act pursuant to ongoing projects to a special account in compliance with the provision of sub-section (6) of Section 135 of the Act. Also refer Note 24 to the financial statements.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Sd/-
Sougata Mukherjee
Partner
Membership Number: 057084

Date: May 18, 2023
Place: Gurugram

Inspired by Science

BALANCE SHEET AS AT MARCH 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	4	24,174	23,189
Capital work-in-progress	4	609	638
Goodwill	5	671	671
Other intangible assets	5	283	367
Intangible asset under development	6	690	507
Financial assets			
(i) Investments	7(a)	1,845	1,811
(ii) Loans	7(c)	690	-
(iii) Other financial assets	7(g)	157	1,795
Current tax assets	10	49	130
Other non-current assets	9	85	125
Total non-current assets		**29,253**	**29,233**
Current assets			
Inventories	8	13,447	13,321
Financial assets			
(i) Investments	7(b)	9,843	8,547
(ii) Trade receivables	7(d)	6,934	7,913
(iii) Cash and cash equivalents	7(e)	8,047	3,095
(iv) Bank balances other than (iii) above	7(f)	13,276	10,122
(v) Loans	7(c)	137	89
(vi) Other financial assets	7(g)	17	450
Contracts Assets	7(h)	661	1,331
Other current assets	9	1,743	2,180
Total current assets		**54,105**	**47,048**
Total assets		**83,358**	**76,281**
EQUITY & LIABILITIES			
Equity			
Equity share capital	11	152	152
Other equity	12	70,816	60,235
Total equity		**70,968**	**60,387**
Liabilities			
Non current liabilities			
Financial liabilities			
(i) Borrowings	14(a)	-	1,699
(ii) Lease Liabilities	14(d)	227	253
(iii) Other financial liabilities	14(c)	264	209
Provisions	15	90	56
Deferred tax liabilities (Net)	16	287	916
Total non current liabilities		**868**	**3,133**
Current Liabilities			
Financial liabilities			
(i) Borrowings	14(a)	-	979
(ii) Lease Liabilities	14(d)	106	117
(iii) Trade payables	14(b)		
a) total outstanding dues of micro enterprises and small enterprises		778	227
b) total outstanding dues of creditors other than micro enterprises and small enterprises		7,582	8,613
(iv) Other financial liabilities	14(c)	2,081	1,835
Provisions	15	276	269
Current tax liabilities	18	54	86
Other current liabilities	17	645	635
Total current liabilities		**11,522**	**12,761**
Total liabilities		**12,390**	**15,894**
Total equity and liabilities		**83,358**	**76,281**

Notes to accounts: **1 to 45**

The accompanying notes referred to above formed the integral part of the financial statement

This is the balance sheet referred to our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Reg. No. 012754N/N500016

For and on behalf of the Board of Directors

Sd/-
Sougata Mukherjee
Partner
Membership Number 057084

Sd/-
Mayank Singhal
Vice Chairman & Managing Director
DIN: 00006651

Sd/-
Rajnish Sarna
Joint Managing Director
DIN: 06429468

Sd/-
Manikantan Viswanathan
Chief Financial Officer

Sd/-
Sonal Tiwari
Company Secretary

Place: Gurugram
Date: May 18, 2023

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

Particulars	Notes	For the year Ended March 31, 2023	For the year Ended March 31, 2022
Revenue from operations	19	62,704	50,769
Other income	20	1,589	999
Total income		**64,293**	**51,768**
Expenses:			
Cost of materials consumed		33,550	27,886
Purchase of stock in trade		1,566	1,719
Changes in inventories of finished goods, work in progress and stock in trade	21	(941)	(1,750)
Employee benefit expense	22	4,897	4,480
Finance cost	26	355	123
Depreciation and amortisation expense	25	2,217	1,984
Other expense	23	8,432	7,321
Total expenses		**50,076**	**41,763**
Profit before tax		**14,217**	**10,005**
Income tax expense	27		
Current tax		(2,509)	(1,759)
Deferred tax		464	44
Income tax of earlier years		(58)	(93)
Total tax expense		**(2,103)**	**(1,808)**
Profit for the year		**12,114**	**8,197**
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
Remeasurements gains/(losses) on defined benefit plans		28	9
Income tax relating to the above item		(10)	(3)
(ii) Items that will be reclassified to profit or loss			
Effective portion of gains/(losses) on cash flow hedges		(636)	124
Income tax relating to the above item		222	(43)
Total comprehensive income for the year		**11,718**	**8,284**
Earnings per equity share	**29A**		
1) Basic (in ₹)		79.84	54.03
2) Diluted (in ₹)		79.84	54.03
Face value per share (in ₹)		**1.00**	**1.00**
Notes to accounts:	**1 to 45**		

The accompanying notes referred to above formed the integral part of the financial statement

This is the statement of profit and loss referred to our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Reg. No. 012754N/N500016

Sd/-
Sougata Mukherjee
Partner
Membership Number 057084

For and on behalf of the Board of Directors

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DIN: 06429468

Sd/-
Manikantan Viswanathan
Chief Financial Officer

Sd/-
Sonal Tiwari
Company Secretary

Place: Gurugram
Date: May 18, 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

a. Equity share capital

Particulars	Note No.	As at March 31, 2023		As at March 31, 2022	
		No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period	11	15,17,18,118	152	15,17,18,118	152
Changes in equity share capital during the period		-	-	-	-
Balance at the end of the reporting period		**15,17,18,118**	**152**	**15,17,18,118**	**152**

b. Other equity

Particulars	Note No.	Reserves & Surplus					Other Reserves	Total other equity
		Capital reserve	Securities premium reserve	SEZ Reinvestment reserve	General reserve	Retained earnings	Effective portion of cash flow hedges	
Balance at April 1, 2021		**15**	**21,999**	**-**	**1,857**	**28,563**	**275**	**52,709**
Profit for the year		-	-	-	-	8,197	-	8,197
Other comprehensive income		-	-	-	-	6	81	87
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**8,203**	**81**	**8,284**
Transactions with owners in their capacity as owners:								
Premium on issue of Equity Shares through ESOP	12 b.	-	-	-	-	-	-	-
Premium on issue of Qualified Institutional Placement (QIP) (net of expenses)	12 b.	-	-	-	-	-	-	-
Expense on Employee Stock Option Scheme	13	-	-	-	-	-	-	-
Dividends paid	13	-	-	-	-	(758)	-	(758)
Balance at March 31, 2022		**15**	**21,999**	**-**	**1,857**	**36,008**	**356**	**60,235**
Profit for the year		-	-	-	-	12,114	-	12,114
Other comprehensive income	12 e, f	-	-	-	-	18	(414)	(396)
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**12,132**	**(414)**	**11,718**
Transactions with owners in their capacity as owners:								
Premium on issue of Equity Shares through ESOP	12 b.	-	-	-	-	-	-	-
Premium on issue of Qualified Institutional Placement (QIP) (net of expenses)	12 b.	-	-	-	-	-	-	-
Transfer from retained earning	12 c.	-	-	968	-	-	-	968
Transfer to SEZ Re investment reserve	12 c.	-	-	-	-	(968)	-	(968)
Dividends paid	13	-	-	-	-	(1,137)	-	(1,137)
Balance at March 31, 2023		**15**	**21,999**	**968**	**1,857**	**46,035**	**(58)**	**70,816**

This is the statement of changes in equity referred to our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Reg. No. 012754N/N500016

Sd/-
Sougata Mukherjee
Partner
Membership Number 057084

For and on behalf of the Board of Directors

Sd/-
Mayank Singhal
Vice Chairman & Managing Director
DIN: 00006651

Sd/-
Rajnish Sarna
Joint Managing Director
DIN: 06429468

Sd/-
Manikantan Viswanathan
Chief Financial Officer

Sd/-
Sonal Tiwari
Company Secretary

Place: Gurugram
Date: May 18, 2023

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Income Tax	**14,217**	**10,005**
Adjustments for :-		
Depreciation and amortisation expense	2,217	1,984
Finance costs	355	123
Provision for bad and doubtful debts & advances	111	187
Interest income on financial assets at amortised cost	(818)	(647)
Unwinding of discount on security deposits	(0)	(10)
(Gain)/Loss on sale/retirement/write off of property, plant & equipment (Net)	1	-
(Gain)/Loss on sale of investments (Net)	(68)	-
(Gain)/Loss on financial assets measured at fair value through profit or loss (Net)	(354)	(273)
Unrealised (Gain)/Loss on foreign currency transactions (Net)	(353)	488
Operating profit before working capital changes	**15,308**	**11,857**
(Increase) / Decrease in trade receivables	1,134	(2,060)
(Increase) / Decrease in current financial assets - loans	642	71
(Increase) / Decrease in current contract assets	669	152
(Increase) / Decrease in non-current financial assets - loans	(690)	-
(Increase) / Decrease in other current financial assets	81	(14)
(Increase) / Decrease in other non-current financial assets	(32)	(14)
(Increase) / Decrease in other current assets	435	(124)
(Increase) / Decrease in other non-current assets	1	12
(Increase) / Decrease in other bank balances	67	(1)
(Increase) / Decrease in inventories	(126)	(3,211)
Increase / (Decrease) in current provisions and trade payables	(271)	903
Increase / (Decrease) in non-current provisions	34	(29)
Increase / (Decrease) in other current financial liabilities	175	(943)
Increase / (Decrease) in other non-current financial liabilities	55	(22)
Increase / (Decrease) in other current liabilities	10	(2)
Cash generated from operations before tax	**17,492**	**6,575**
Income taxes paid	(2,471)	(1,721)
Net cash inflow / (outflow) from operating activities	**15,021**	**4,854**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payments for purchase of property, plant & equipment including capital work in progress, intangible assets, intangible assets under development and capital advances	(3,049)	(3,358)
Proceeds from sale of property, plant & equipment	38	3
(Purchase)/ refund of investment in subsidiary	(235)	(10)
Loan to subsidiary	(690)	-
Purchase of current investments	(2,100)	-
Sale of current investments	1,159	21
Investment/ (Redemption) in fixed deposits with remaining maturity of more than 12 months (net)	1,397	(1,397)

Inspired by Science

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Investment/ (Redemption) in fixed deposits having more than 3 months original maturity and less than 12 months remaining maturity (net)	(3,102)	3,034
Interest received	818	666
Net cash used in investing Activities	**(5,764)**	**(1,041)**
Net cash inflow / (outflow) from operating and investing activities	**9,257**	**3,813**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Borrowings repayments	(2,669)	(720)
Principal elements of lease payments	(174)	(188)
Interest paid	(325)	(80)
Dividends paid (including TDS)	(1,137)	(758)
Net cash inflow / (outflow) from financing activities	**(4,305)**	**(1,746)**
Net cash inflow / (outflow) from operating, investing & financing activities	**4,952**	**2,067**
Net increase / (decrease) in cash & cash equivalents	**4,952**	**2,067**
Opening balance of cash & cash equivalents	**3,095**	**1,028**
Closing balance of cash & cash equivalents	**8,047**	**3,095**
Note: Cash and cash equivalents included in the Cash Flow Statement comprise of the following (Refer Note No. 7(e)):-		
i) Cash on Hand	1	-
ii) Balance with Banks :		
-In Current Accounts	3,477	1,292
-In Fixed Deposits with original maturity less than 3 months	4,569	1,803
Total	**8,047**	**3,095**

The above Cash Flow Statement has been prepared under the Indirect method as set out in IND AS - 7.

Figures in brackets indicate cash outflows.

This is the statement of cash flow referred to our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Reg. No. 012754N/N500016

Sd/-
Sougata Mukherjee
Partner
Membership Number 057084

For and on behalf of the Board of Directors

Sd/-
Mayank Singhal
Vice Chairman & Managing Director
DIN: 00006651

Sd/-
Rajnish Sarna
Joint Managing Director
DIN: 06429468

Sd/-
Manikantan Viswanathan
Chief Financial Officer

Sd/-
Sonal Tiwari
Company Secretary

Place: Gurugram
Date: May 18, 2023

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

1. Corporate Information

PI Industries Limited ("PI" or "the Company") is a public limited company domiciled in India and has its registered office at Udaipur. The shares of the Company are listed on National Stock Exchange and Bombay Stock Exchange.

PI is in the field of Agri Sciences having strong presence in both Domestic and Export market. It has three manufacturing facilities in Gujarat and a Research & Development center at Udaipur.

The registered office of the company is situated at Udaisagar Road, Udaipur – 313001, Rajasthan, India and the corporate office is situated at 5th Floor, Vipul Square, B-Block, Sushant Lok, Phase-I, Gurugram – 122009, Haryana, India.

2. Basis of preparation

The Company has consistently applied the following accounting policies to all periods presented in the financial statements unless otherwise stated.

a) Statement of compliance

These financial statements have been prepared in all material aspects, in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('the Act') and other relevant provisions of the Act to the extent applicable.

These financial statements were authorised for issue by the Board of Directors on May 18, 2023.

b) Basis of measurement

The financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following:

- Certain financial assets and liabilities (including derivative instruments) and contingent considerations are measured at fair value;
- Defined benefit plan assets measured at fair value;
- Share-based payments measured at fair value.

c) New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective 1 April 2023.

The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the Company's accounting policy already complies with the now mandatory treatment.

d) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in Indian National Rupee ('₹'), which is the Company's functional and presentation currency. All amounts disclosed in the financial statements and notes have been rounded off to the nearest millions as per the requirement of Schedule III, unless otherwise stated. The sign '0' in these standalone financial statements indicates that the amounts involved are below ₹ five lacs and the sign '-' indicates that amounts are nil.

e) Current or Non- current classification

All Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services provided and time between the rendering of services and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

f) Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent liabilities and contingent assets at the date of financial statements, income and expenses during the period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

Application of accounting policies that require critical accounting estimates and assumption judgements having the most significant effect on the amounts recognized in the financial statements are:

(i) Provision for expected credit losses (ECL) on trade receivables including interest and other charges recoverable from customers

The Company uses a provision matrix to calculate ECL for trade receivables including interest and other charges recoverable from customers. The ECL provision matrix is based on the Company's historical observed default rates. The Company adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The amount of ECL is sensitive to changes in circumstances and accordingly Company's actual default in the future may be different. The information about the ECL on the Company's trade receivables including interest and other charges recoverable from customers is disclosed in note 7(d), note 7(g) and note 38.

(ii) Recognition of deferred tax

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realisation of deferred tax assets including minimum alternative tax (MAT) is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The Company considers expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of deferred tax assets considered realisable, however, could reduce in the near term if estimates of future taxable income during the carry-forward period are reduced.

(iii) Impairment test of financial (investment in equity instruments of wholly-owned subsidiary companies) and non-financial assets (goodwill and intangible assets under development)

The Company assesses at each reporting date whether there is an indication that an investment in equity instruments of wholly-owned subsidiary companies, goodwill and intangible assets under development may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's CGU'S fair value less cost of disposal and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are estimated based on past trend and discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other fair value indicators.

3. Significant Accounting Policies

a) Property, plant and equipment

i) Recognition and measurement

Freehold land is carried at historical cost. All other items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

Historical cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Borrowing costs relating to acquisition of qualifying fixed assets, if material, are also included in cost to the extent they relate to the period till such assets are ready to be put to use.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. The cost of replacing part of an item of property, plant and equipment or major inspections performed, are recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of all other repairs and maintenance are recognized in the Statement of Profit & Loss as incurred.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

An item of property, plant and equipment is derecognised when no future economic benefit are expected to arise from the continued use of the asset or upon disposal. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii) Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

iii) Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values, and is recognised in the statement of profit and loss. Depreciation on property, plant and equipment is provided on the Straight-Line Method based on the useful life of assets estimated by the Management which coincide with the life specified under Schedule II of the Companies Act, 2013, which are as follows:

Buildings including factory buildings and Roads	3 - 60 years
Plant and machinery	15 years
Electrical installations and equipment	10 years
Furniture and fixtures	10 years
Office equipment's	5 years
Vehicles	8 - 10 years
Computer and Data Processing Units	3 - 6 years
Laboratory equipment	10 years

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

The Company has estimated the useful lives different from the lives prescribed in schedule II of Companies Act, 2013, in the following cases:

- Plant and machinery (Continuous Process Plant) 15 years
- Special Plant and machinery (used in manufacture of chemicals) 15 years

Leasehold land is being amortised over the lease period and Cost of improvement on leasehold building is being amortised over the lease period or useful life whichever is lower, unless the entity expects to use the assets beyond the lease term.

Based on assessment made by technical experts, the Management believes that the useful lives as given above best represent the period over which it expects to use these assets.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and changes, if any, are accounted for prospectively. Depreciation on additions to or on disposal of assets is calculated on pro-rata basis i.e. from (up to) the date on which the property, plant and equipment is available for use (disposed of).

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit & Loss either in other income or other expenses.

b) Intangible assets

i) Recognition and measurement

Goodwill

Goodwill on acquisitions is shown separately under Non-current assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

Intangible assets acquired separately

Intangible assets that are acquired by the Company are measured at cost, less accumulated amortization and accumulated impairment losses, if any.

Internally generated intangible assets - Research and development

Research costs are expensed as incurred. Development costs are capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the company intends to and has sufficient resources to complete development and to use or sell the asset. The expenditures to be capitalized include the cost of materials and other costs directly attributable to preparing the asset for its intended use. Other development expenditures are recognized in profit or loss as incurred.

Subsequent to initial recognition, the assets are measured at cost, less accumulated amortisation and accumulated impairment losses, if any.

Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate.

Internally generated Intangible assets which are not yet available for use are subject to impairment testing at each reporting date. All other intangible assets are tested for impairment when there are indications that the carrying value may not be recoverable. All impairment losses are recognized immediately in profit or loss.

An item of intangible asset is derecognised when no future economic benefit are expected to arise from the continued use of the asset or upon disposal. Any gain or loss on disposal of an item of intangible assets is recognised in profit or loss.

ii) Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its Intangible assets recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of such intangible assets.

iii) Amortisation

Amortization is recognized in the income statement on a straight-line basis over the estimated useful lives of intangible assets or on any other basis that reflects the pattern in which the asset's future economic benefits are expected to be consumed by the entity. Intangible assets that are not available for use are amortized from the date they are available for use.

The estimated useful lives are as follows:

Software	6 years
Product development	5 years

The amortization period and the amortization method for intangible assets are reviewed at each reporting date.

c) Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication on impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash flows are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units ('CGUs').

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

In respect of Non-financial assets other than goodwill for which impairment loss has been recognised in prior periods, the company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

d) Financial instruments

i) Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables (which do not contain a significant financing component) which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition.

ii) Subsequent measurement

i) Financial assets carried at amortized cost

A financial asset (which includes loans and advances, security deposits, deposits with Banks and Financial institutions, deposits lodged with excise and sales tax department, insurance claim recoverable, cash and cash equivalents, bank balance other than cash and cash equivalents, and trade receivables) is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. When the financial asset is derecognised or impaired, the gain or loss is recognised in the statement of profit and loss.

ii) Financial assets at fair value through other comprehensive income (FVOCI)

A financial asset (which includes derivative financial instruments) is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit and loss and recognised in other income.

Equity instruments are subsequently measured at fair value. On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis. Fair value gains and losses recognised in OCI are not reclassified to profit and loss.

iii) Financial assets at fair value through profit or loss

A financial asset (which includes investments in mutual funds) which is not classified in any of the above categories are subsequently fair valued through profit or loss.

iv) Financial liabilities

Financial liabilities (which includes borrowings, trade payables and other financial liabilities (other than derivative financial instruments)) are subsequently carried at amortized cost using the effective interest method.

v) Investment in subsidiaries

Investment in subsidiaries is carried at cost less impairment, if any, in the separate financial statements.

iii) Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. Except Trade receivables, expected credit losses are measured at an amount equal to the 12-month Expected Credit Loss (ECL), unless there has been a significant increase in credit risk from initial recognition, in which case those are measured at lifetime ECL.

With regard to trade receivable, the Company applies the simplified approach (Refer Note No. 38(I)), which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

iv) Derecognition

Financial Assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial Liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

v) Reclassification of Financial Assets and Financial Liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model.

vi) Derivative financial instruments

The Company is exposed to exchange rate risk which arises from its foreign exchange revenues. The Company uses foreign exchange forward contracts (derivative financial instruments), to hedge foreign currency risk associated with highly probable forecasted transactions and classifies them as cash flow hedges.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are taken directly to profit and loss.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

The Company makes an assessment, on an ongoing basis, of whether the hedging instruments are expected to be "highly effective" in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk. For cash flow hedges to be "highly effective", a forecast transaction that is the subject of the hedge must be highly probable and must present an exposure to variations in cash flows that could ultimately affect profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognized in other comprehensive income/ (loss), remains there until the forecast transaction occurs. If the forecast transaction is no longer expected to occur, then the balance in other comprehensive income/ (loss) is recognized immediately in the statement of profit and loss.

vii) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the company has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

e) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using other valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair values for measurement and/ or disclosure purposes are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 - This includes financial instruments measured using quoted prices.

Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

f) Inventories

Inventories (including Stock-in-transit) of Finished Goods, Stock in Trade, Work in progress, Raw materials, packing materials and Stores & Spares are stated at lower of cost and net realizable value. By-products are measured at net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Cost of Raw Materials, Packing Materials, Stores and Spares, Stock in Trade and other products are determined on weighted average basis and are net of Goods and service tax credit.

Cost of Work in progress and Finished Goods is determined on weighted average basis considering direct material cost and appropriate portion of manufacturing overheads based on normal operating capacity.

Obsolete, slow moving and defective inventories are identified as and when required, and where necessary, the same are written off or provision is made for such inventories.

g) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic resources will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent Liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities are not recognised but are disclosed in notes to the financial statements.

Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

h) Revenue Recognition

i) Sale of goods

The Company manufactures and sells a range of products to various customers. Revenue is recognised over the period of time for contracts wherein the Company's performance does not create an asset with alternative use to the Company and the entity has an enforceable right to payment for performance completed till date. Management has determined that it is highly probable that there will be no rescission of the contract and a significant reversal in the amount of revenue recognised will not occur. Accordingly, revenue is recognised for these contracts based on Input method wherein amount of revenue to be recognised is determined based on the actual cost incurred till date and the estimated margin on the contract because there is a direct relationship between the Company's effort (i.e., based on the material consumed and labour hours incurred) and the enforceable right to pament for performance completed till date. For remaining contracts, Revenue is recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. Revenue recognised in relation to these contracts in excess of billing is recognised as a Contract Asset. Accumulated experience is used to estimate and provide for the discounts and returns using the expected value method and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date. A refund liability (included in other current liabilities) and a right to recover the returned goods (included in other current assets) are recognised for the products expected to be returned. Liability (included in other financial liabilities) is recognized for expected volume discounts payable to customers in relation to sales made until the end of the reporting period

Amounts disclosed as revenue are net of returns, discounts, volume rebates and net of goods and service tax.

The Company does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

ii) Sale of services

Revenue from sale of services is recognised over the period of time as per the terms of the contract with customers based on the stage of completion when the outcome of the transactions involving rendering of services can be estimated reliably.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

iii) Export Incentives

Incentives on exports are recognised in books after due consideration of certainty of utilisation/ receipt of such incentives.

iv) Interest Income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition. Interest income is included in other income in the statement of profit and loss.

v) Dividends

Dividend income is recognized when the Company's right to receive dividend is established, and is included in other income in the statement of profit and loss.

i) Employee Benefits

i) Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii) Defined contribution plans

Employees benefits in the form of the Company's contribution to Provident Fund, Pension scheme, Superannuation Fund and Employees State Insurance are defined contribution schemes. The Company recognizes contribution payable to these schemes as an expense, when they are due.

If the contribution payable exceeds contribution already paid, the deficit payable is recognised as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the end of the reporting period, The Company recognize that excess as an asset (prepayments) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

iii) Defined benefit plans

Retirement benefits in the form of gratuity are considered as defined benefit plans. The Company's net obligation in respect of defined benefit plans is calculated by present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

The company provides for its gratuity liability based on actuarial valuation of the gratuity liability as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an actuary. The Company contributes to the gratuity fund, which are recognized as plan assets. The defined benefit obligation as reduced by fair value of plan assets is recognized in the Balance Sheet.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

When the calculation results in a potential asset for the company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized in the period in which they occur, directly in other comprehensive income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss under employee benefit expense.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv) Other long-term employee benefits

Employee benefits in the form of long-term compensated absences are considered as long-term employee benefits. The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re-measurements are recognised in profit or loss in the period in which they arise.

The liability for long term compensated absences are provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an actuary.

j) Foreign currency transactions

Initial recognition

Transactions in foreign currencies are translated into the Company's functional currency at the exchange rates at the dates of the transactions.

Conversion

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Exchange difference

Exchange differences are recognised in profit or loss, except exchange differences arising from the translation of the following items which are recognised in OCI

- equity investments at fair value through OCI (FVOCI);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective

In accordance with Ind-AS 101 'First Time Adoption of Indian Accounting Standards', the Company has continued the policy of capitalisation of exchange differences on foreign currency loans taken before the transition date. Accordingly, exchange differences arising on translation of long-term foreign currency monetary items relating to acquisition of depreciable fixed assets taken before the transition date are capitalized and depreciated over the remaining useful life of the asset.

k) Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

l) Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in Other Comprehensive Income.

i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year after taking credit of the benefits available under the Income Tax Act and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

i) has a legally enforceable right to set off the recognized amounts; and

ii) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

ii) Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding tax bases used for taxation purposes. Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.
- initial recognition of goodwill

A deferred income tax asset is recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences and tax losses can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

For operations carried out in tax free units, deferred tax assets or liabilities, if any, have been recognised for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

Deferred tax assets and liabilities are offset only if:

i) The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

ii) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is probable evidence that the Company will pay normal income tax in future. Accordingly, MAT is recognised as deferred tax asset in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

Company also considers decisions of appropriate authorities and legal advice for recognizing taxes. In the current year, the decision of Appellate Tribunal on Special Economic Zones was considered, the resultant net impact of which was not material.

m) Segment Reporting

An operating segment is defined as a component of the entity that represents business activities from which it earns revenues and incurs expenses and for which discrete financial information is available. The operating segments are based on the Company's internal reporting structure and the manner in which operating results are reviewed by the Chief Operating Decision Maker (CODM).

The Management Advisory Committee of the Company has been identified as the CODM by the Company. Refer Note 34 for Segment disclosure.

n) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash flow statement

Cash flow statements are prepared in accordance with "Indirect Method" as explained in the Accounting Standard on Statement of Cash Flows (Ind AS - 7). The cash flows from regular revenue generating, financing and investing activity of the Company are segregated.

o) Lease

The company leases various offices, warehouses, IT equipment and vehicles. Rental contracts are typically made for fixed periods of 6 months to 9 years but may have extension and termination options.

Until the 2019 financial year, leases of office & warehouses, IT equipment and vehicles leases were classified as either finance leases or operating leases. From 1 April 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company. Assets and liabilities arising from a lease are initially measured on a present value basis.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third party financing
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the company use that rate as a starting point to determine the incremental borrowing rate.

Lease liabilities include the net present value of the following lease payments:

- fixed payments, less any lease incentives receivable.
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the company under residual value guarantees
- the exercise price of a purchase option if the company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of this underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature. The Company did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard

p) **Share-based payment transaction:**

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee benefit expense, with a corresponding increase in equity. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied and is adjusted to reflect the actual number of share options that vest.

The total amount to be expensed is determined by reference to the fair value of the options granted including any market performance conditions and the impact of any non-vesting conditions and excluding the impact of any service and non-market performance vesting conditions.

q) **Earnings per share:**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted Earnings per Share, the net profit or loss for the period attributable to Equity Shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

r) **Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

s) **Business Combination**

Business Combinations Entities under common control

Business combinations involving entities or businesses under common control is accounted for using the pooling of interest method as follows: -

(i) The assets and liabilities of the combining entities are reflected at their carrying amounts.

(ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.

(iii) The financial information in the Standalone Financial Statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the Standalone Financial Statements unless the business combination had occurred after that date, the prior period information shall be restated only from that date.

(iv) The consideration for the business combination may consist of securities, cash or other assets. Securities shall be recorded at nominal value. In determining the value of the consideration, assets other than cash shall be considered at their fair values.

(v) The balance of the retained earnings appearing in the Standalone Financial Statements of the Company is aggregated with the corresponding balance appearing in the financial statements of the transferee. The identity of the reserves is preserved and appear in the Standalone Financial Statements of the Company in the same form in which they appeared in the Standalone Financial Statements of the transferor.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

4 PROPERTY, PLANT AND EQUIPMENT

	Leasehold land	Freehold land	Buildings	Plant and machinery	Furniture and fixtures	Office equipment	Vehicles	Total
Gross carrying amount								
As at beginning of April 01, 2021	589	51	6,457	17,744	200	218	725	25,984
Addition - Right of Use	-	-	176	-	-	29	14	219
Additions	0	16	1,133	3,500	10	80	66	4,805
Disposals	-	-	(140)	-	-	(3)	(52)	(195)
As at March 31, 2022	**589**	**67**	**7,626**	**21,244**	**210**	**324**	**753**	**30,813**
Addition - Right of Use	-	-	42			3	52	97
Additions	-	72	639	2,031	85	120	76	3,023
Disposals including Right of Use	-	-	(39)	(51)	-	(6)	(130)	(226)
As at March 31, 2023	**589**	**139**	**8,268**	**23,224**	**295**	**441**	**751**	**33,707**
Accumulated depreciation								
As at beginning of April 01, 2021	21	-	870	4,488	72	128	254	5,833
Depreciation charge during the year	11	-	238	1,379	20	25	47	1,720
Amortisation of ROU	-	-	58	-	-	13	87	158
Disposals	-	-	(56)	-	-	(1)	(30)	(87)
As at March 31, 2022	**32**	**-**	**1,110**	**5,867**	**92**	**165**	**358**	**7,624**
Depreciation charge during the year	7	-	268	1,565	23	34	56	1,953
Amortisation of ROU	-	-	59	-	-	15	70	144
Disposals including Right of Use	-	-	(39)	(13)	-	(6)	(130)	(188)
As at March 31, 2023	**39**	**-**	**1,398**	**7,419**	**115**	**208**	**354**	**9,533**
Net carrying amount								
As at March 31, 2022	**557**	**67**	**6,516**	**15,377**	**118**	**159**	**395**	**23,189**
As at March 31, 2023	**550**	**139**	**6,870**	**15,805**	**180**	**233**	**397**	**24,174**

a. Depreciation for the year includes depreciation amounting to ₹ 165 (March 31, 2022 ₹ 153) on assets used for Research & Development. During the year Company incurred ₹425 (March 31, 2022 ₹ 185) towards capital expenditure for Research & Development (Refer Note 28).

b. Refer note 40 for information on property, plant and equipment pledged as security by the Company.

c. Refer note 32 for disclosure of contractual comitmments for the acquisition of property, plant and equipment.

d. Amount recognised above related to Right-of-use assets.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
Buildings	183	200
Office Equipment	32	44
Vehicles	94	112
Leasehold land	550	559
Total	**859**	**915**

Capital work in progress ageing schedule as on March 31, 2023

1) **Aging of Capital work in progress**

Capital work in progress	Amount in capital work in progress for a period of				
	Less than 1 years	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	510	89	10	-	609
Projects Temporarily suspended	-	-	-	-	-

2) **Completion schedule for Capital work in progress whose completion is overdue or has exceeded its cost compared to its original plan**

Projects in Progress (Completion overdue)	To be completed in				
	Less than 1 years	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in Progress:					
Udaipur Plant - Existing R&D Centre - Replacement/Upgradation	1	-	-	-	1
Udaipur Plant - Existing Manufacturing Line - Replacement/Upgradation	-	-	-	-	-
Udaipur New R&D Centre	0	-	-	-	0
Panoli Plant - Existing Manufacturing Line - Replacement/Upgradation	25	-	-	-	25
Panoli Plant - Setting up a new manufacturing line	5	-	-	-	5
Plant- Existing LAB - Replacement/ Upgradation	-	-	-	-	-
Jambusar Plant - Existing Manufacturing Line - Replacement/Upgradation	49	-	-	-	49
Jambusar Plant - Setting up a new manufacturing line	9	-	-	-	9
Others	61	-	-	-	61
(ii) Projects temporarily suspended					
Total	**150**	**-**	**-**	**-**	**150**

Capital work in progress ageing schedule as on March 31, 2022

1) **Aging of Capital work in progress**

Capital work in progress	Amount in capital work in progress for a period of				
	Less than 1 years	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	499	123	16	-	638
Projects Temporarily suspended	-	-	-	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

2) Completion schedule for Capital work in progress whose completion is overdue or has exceeded its cost compared to its original plan

Projects in Progress	To be completed in				
	Less than 1 years	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in Progress:					
Udaipur Plant - Existing R&D Center - Replacement/Upgradation	38	-	-	-	38
Udaipur Plant - Existing Manufacturing Line - Replacement/Upgradation	10	-	-	-	10
Udaipur New R&D Center	52	-	-	-	52
Panoli Plant - Existing Manufacturing Line - Replacement/Upgradation	269	-	-	-	269
Panoli Plant- Existing LAB - Replacement/ Upgradation	-	-	-	-	-
Panoli Plant - Setting up a new manufacturing line	40	-	-	-	40
Jambusar Plant - Existing Manufacturing Line - Replacement/Upgradation	165	-	-	-	165
Jambusar Plant - Setting up a new manufacturing line	5	-	-	-	5
Others	3	-	-	-	3
(ii) Projects temporarily suspended					
Total	**582**	**-**	**-**	**-**	**582**

Capital Work in progress mainly comprises of ongoing projects in various plants constituting plant and machinery and Building.

5 GOODWILL AND OTHER INTANGIBLE ASSETS

	Computer Software	Product Development	Supply Agreement	Total other than Goodwill	Goodwill*	Total
Gross carrying amount						
As at beginning of April 01, 2021	199	29	324	552	671	1,223
Additions	35	82	-	117	-	117
Disposals	-	-	-	-	-	-
As at March 31, 2022	**234**	**111**	**324**	**669**	**671**	**1,340**
Additions	20	16	-	36	-	36
Disposals	-	-	-	-	-	-
As at March 31, 2023	**254**	**127**	**324**	**705**	**671**	**1,376**
Acumulated amortisation						
As at beginning of April 01, 2021	101	14	81	196	-	196
Amortisation charge during the year	31	11	64	106	-	106
Disposals	-	-	-	-	-	-
As at March 31, 2022	**132**	**25**	**145**	**302**	**-**	**302**
Amortisation charge during the year	32	23	65	120	-	120
Disposals	-	-	-	-	-	-
As at March 31, 2023	**164**	**48**	**210**	**422**	**-**	**422**
Net Carrying Amount						
As at March 31, 2022	**102**	**86**	**179**	**367**	**671**	**1,038**
As at March 31, 2023	**90**	**79**	**114**	**283**	**671**	**954**

* Refer Note 43

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

6 INTANGIBLE ASSETS UNDER DEVELOPMENT

	Intangible Assets under Development
As at beginning of April 01, 2021	**380**
Additions	209
Disposal/Adjustments	-
Amount recognised under Intangible assets	(82)
As at March 31, 2022	**507**
Additions	271
Disposal/Adjustments (including write offs)	(72)
Amount recognised under Intangible assets	(16)
As at March 31, 2023	**690**

The value-in-use of intangible assets under development is higher than the carrying amount.

Intangible Ageing Schedule as on March 31, 2023

1) Aging of Intangible assets under development

	Amount in capital work in progress for a period of				
IA under development	Less than 1 years	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	261	182	39	208	690
Projects Temporarily suspended	-	-	-	-	-

2) Completion schedule for Intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan

	To be completed in				
Projects in Progress	Less than 1 years	1-2 years	2-3 years	More than 3 years	Total
Product development projects (Completion overdue)	-	157	23	-	180
Total	**-**	**157**	**23**	**-**	**180**

Intangible Ageing Schedule as on March 31, 2022

1) Aging of Intangible assets under development

	Amount in capital work in progress for a period of				
IA under development	Less than 1 years	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	205	60	80	162	507
Projects Temporarily suspended	-	-	-	-	-

2) Completion schedule for Intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan

	To be completed in				
Projects in Progress	Less than 1 years	1-2 years	2-3 years	More than 3 years	Total
Product development projects (Completion overdue)	16	60	35	-	111
Total	**16**	**60**	**35**	**-**	**111**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

7 FINANCIAL ASSETS

7(a) NON-CURRENT INVESTMENTS

	As at March 31, 2023	As at March 31, 2022
Investment in equity instruments (fully paid up)		
Unquoted shares		
Investment in equity instruments of wholly-owned subsidiary companies at Cost		
a) PILL Finance & Investment Limited 3,60,000 (March 31, 2022 : 3,60,000) Equity Shares of ₹ 10 each fully paid	4	4
b) PI Life Science Research Limited 14,97,325 (March 31, 2022 : 14,97,325) Equity Shares of ₹10 each fully paid	104	104
c) Jivagro Limited (Refer note 43) 148,829,030 (March 31, 2022 :148,829,030) Equity Shares of ₹10 each fully paid	1,489	1,489
d) PI Japan Company Limited 100 (March 31, 2022 : 100) Equity Shares of ₹18,600 each fully paid (JPY 50,000 each)	2	2
e) PI Bioferma Private Limited* 60,000 (March 31, 2022 :10,000) Equity Shares of ₹10 each fully paid	1	0
f) PI Fermachem Private Limited* 60,000 (March 31, 2022 :10,000) Equity Shares of ₹10 each fully paid	1	0
g) PI Health Science limited 24,499,997 (March 31, 2022 :1,000,000) Equity Shares of ₹10 each fully paid	245	10
	1,845	**1,609**
TOTAL	**1,845**	**1,609**
*The value of investment in equity instruments of PI Bioferma Private Limited and PI Fermachem Private Limited is 0.6 (March 31, 2022, 0.1) and 0.6 (March 31, 2022, 0.1) respectively.		
Investment in Deposits with Financial Institution		
Unquoted Deposits		
Deposit with Financial Institution having a remaining maturity of more than 12 months	-	202
TOTAL	**1,845**	**1,811**
Aggregate amount of un-quoted investments	**1,845**	**1,811**
Aggregate amount of impairment in the value of investments	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

7(b) CURRENT INVESTMENTS

	As at March 31, 2023	As at March 31, 2022
Investment in mutual funds at FVTPL (Refer Note 42)		
Quoted		
a) Axis Liquid Fund - Direct Plan - Growth Option Nil (March 31, 2022 : 93,938) Units	-	222
b) Nippon India Liquid Fund - Direct Plan-Growth Plan - Growth Option 186,717 (March 31, 2022 : 133,007) Units	1,028	693
c) HDFC Ultra Short Term Fund - Direct Plan - Growth Option 172,861,190 (March 31, 2022 : 172,861,190) Units	2,266	2,145
d) SBI Magnum Ultra Short Duration Fund-Direct Plan - Growth 435,559 (March 31, 2022 : 435,559) Units	2,247	2,133
e) Aditya Birla Sun Life Money Manager Fund - Growth - Direct Plan 3,581,964 (March 31, 2022 : 3,581,964) Units	1,133	1,071
f) Kotak Money Market Scheme - (Growth) - Direct 294,745 (March 31, 2022 : 294,745) Units	1,128	1,067
g) Aditya Birla Sun Life Liquid Fund - Growth - Direct Plan 2,248,673 (March 31, 2022 : Nil) Units	816	-
h) UTI Overnight Fund - Direct Plan - Growth Option 65,620 (March 31, 2022 : Nil) Units	201	-
	8,819	**7,331**
TOTAL	**8,819**	**7,331**
Investment in Deposits with Financial Institution		
Unquoted Deposits		
Deposit with Financial Institution having a maturity of less than 12 months	1,024	1,216
TOTAL	**9,843**	**8,547**
Quoted		
Aggregate amount of quoted investments and market value thereof	8,819	7,331
Aggregate amount of impairment in the value of investments	-	-
Unquoted deposits		
Aggregate amount of unquoted investments and market value thereof	1,024	1,216
Aggregate amount of impairment in the value of investments	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

7(c) LOANS

	Non- Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good unless stated otherwise				
Loans and advances to related parties (Refer Note 35)	690	-	65	65
Other advances				
Employee advances				
Considered good	-	-	1	-
Doubtful	-	-	7	5
Less: Allowance for doubtful employee advances	-	-	(7)	(5)
Other miscellaneous advances	-	-	71	24
TOTAL	**690**	**-**	**137**	**89**

Break up of security details

	As at March 31, 2023	As at March 31, 2022
Loan considered good- Secured	-	-
Loans considered good- Unsecured	827	89
Loans which have significant increase in credit risk	-	-
Loans- credit impaired	7	5
Total Loans	834	94
Less: Loss Allowance	(7)	(5)
TOTAL	**827**	**89**

7(d) TRADE RECEIVABLES

	As at March 31, 2023	As at March 31, 2022
Trade receivables	7,208	8,200
Receivables from related parties (Refer note 35)	337	309
Less: Allowance for doubtful debts	(611)	(596)
TOTAL	**6,934**	**7,913**
Current portion	6,934	7,913
Non-current portion	-	-

Break up of security details

	As at March 31, 2023	As at March 31, 2022
Trade receivables considered good- Secured	-	-
Trade receivables considered good- Unsecured*	7,149	8,176
Trade receivables which have significant increase in credit risk	-	-
Trade receivables- credit impaired	396	333
Less: Allowance for doubtful debts	(611)	(596)
TOTAL	**6,934**	**7,913**

Refer note 40 for information on trade receivables pledged as security by the Company.

* Trade Receivable include amount due from Related Parties amounting to ₹ 337 (March 31, 2022 ₹ 309)

Inspired by Science

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

Trade Receivable aging as on March 31, 2023

Particulars	Outstanding for following periods from Due date							
	Unbilled	Not Due	Less than 6 months	6 months-1 years	1-2 years	2-3 years	More than 3 Years	Total
Undisputed trade receivables								
Considered Good	-	5,624	1,163	77	176	46	63	7,149
Which have significant increase in Credit Risk	-	-	-	-	-	-	-	-
Credit Impaired	-	-	-	-	-	-	-	-
Disputed trade receivables								
Considered Good	-	-	-	-	-	-	-	-
Which have significant increase in Credit Risk	-	-	-	-	-	-	-	-
Credit Impaired	-	-	-	-	8	25	363	396
Total	-	**5,624**	**1,163**	**77**	**184**	**71**	**426**	**7,545**
Less Allowance for doubtful debts	-	-	-	-	-	-	-	**(611)**
Net Total	-	**5,624**	**1,163**	**77**	**184**	**71**	**426**	**6,934**

Trade Receivable aging as on March 31, 2022

Particulars	Outstanding for following periods from Due date							
	Unbilled	Not Due	Less than 6 months	6 months-1 years	1-2 years	2-3 years	More than 3 Years	Total
Undisputed trade receivables								
Considered Good	-	5,684	2,160	132	72	30	98	8,176
Which have significant increase in Credit Risk	-	-	-	-	-	-	-	-
Credit Impaired	-	-	-	-	-	-	-	-
Disputed trade receivables								
Considered Good	-	-	-	-	-	-	-	-
Which have significant increase in Credit Risk	-	-	-	-	-	-	-	-
Credit Impaired	-	-	6	9	24	73	221	333
Total	-	**5,684**	**2,166**	**141**	**96**	**103**	**319**	**8,509**
Less Allowance for doubtful debts	-	-	-	-	-	-	-	**(596)**
Net Total	-	**5,684**	**2,166**	**141**	**96**	**103**	**319**	**7,913**

7(e) CASH AND CASH EQUIVALENTS

	As at March 31, 2023	As at March 31, 2022
i. Cash & Cash Equivalents		
Balance with banks		
In Current Accounts	528	538
In EEFC account	2,949	754
Cash on hand	**1**	**-**
Deposits with original maturity of less than 3 months	**4,569**	**1,803**
TOTAL	**8,047**	**3,095**

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

7(f) BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at March 31, 2023	As at March 31, 2022
Fixed deposits with bank	13,209	10,108
In unclaimed dividend accounts *	67	5
Unspent Corporate Social Responsibility**	-	9
TOTAL	**13,276**	**10,122**

* Not available for use by the Company as they represent corresponding unclaimed dividend liabilities.
** Amount unspent for ongoing projects.

7(g) OTHERS FINANCIAL ASSETS

	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good unless stated otherwise				
Security deposits	76	47	16	30
Considered good unless stated otherwise				
Interest and other charges recoverable from customers				
-Considered good	-	-	1	1
-Doubtful	-	-	153	117
Less: Allowance for doubtful debts	-	-	(153)	(117)
Deposits lodged with Excise & Sales Tax department	59	57	-	-
Deposit accounts held as margin money	22	21	-	-
Deposits with more than 12 months remaining maturity	-	1,397	-	-
Insurance Claims Recoverable	-	-	93	103
Less: Loss allowance for Insurance claim receivable	-	-	(93)	-
Derivative financial instruments - foreign exchange forward contracts	-	273	-	316
TOTAL	**157**	**1,795**	**17**	**450**

7(h) CONTRACTS ASSETS (CURRENT)

	As at March 31, 2023	As at March 31, 2022
Contract assets*	661	1,331
TOTAL	**661**	**1,331**

* Recoverable from customer under contract for supply of goods manufactured exclusively for customers (Refer note 3(h)).

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

8 INVENTORIES

	As at March 31, 2023	As at March 31, 2022
Raw materials {includes stock-in-transit ₹ 75 (March 31, 2022 : ₹ 1,199)}	7,385	8,127
Work in progress	3,193	3,063
Finished goods *{includes stock-in-transit ₹ 277 (March 31, 2022 : ₹ 39)}	1,774	1,010
Stock in trade *{includes stock-in-transit ₹ Nil (March 31, 2022 : ₹ Nil)}	513	442
Stores & spares {includes stock-in-transit ₹ 3 (March 31, 2022 : ₹ Nil)}	582	679
TOTAL	**13,447**	**13,321**

* The cost of inventories recognised as an expense on account of provision of obsolete/ slow and non moving inventories amounting to ₹ 293 (March 31, 2022: ₹ 101)

9 OTHER ASSETS

	Non- Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Considered good unless stated otherwise				
Capital advances				
Considered good	35	75	-	-
Doubtful	1	1	-	-
Less: Allowance for doubtful advances	(1)	(1)	-	-
Advances to vendors				
Considered good	-	-	453	704
Doubtful	-	-	33	30
Less: Allowance for doubtful advances	-	-	(33)	(30)
Balance with Government Authorities**	-	-	841	690
Prepayments	5	5	152	113
Export incentive receivables	-	-	204	506
Less: Provision for export incentive receivables	-	-	(50)	-
Right to recover returned goods	-	-	143	167
Other miscellaneous advances*	45	45	-	-
TOTAL	**85**	**125**	**1,743**	**2,180**

* Other miscellaneous advances includes amount of ₹ 40 (March 31, 2022 ₹ 40) deposited with Sales Tax and Custom Authorities under protest.

** Balance with Government Authorities includes amount of ₹ 23 (March 31, 2022 ₹ 21) deposited with Excise Duty authorities under protest.

10 CURRENT TAX ASSETS

	As at March 31, 2023	As at March 31, 2022
Advance income tax (Net of provision for income tax ₹ 7,254 {March 31, 2022 ₹ 5,484})	49	130
TOTAL	**49**	**130**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

11 EQUITY SHARE CAPITAL

	As at March 31, 2023	As at March 31, 2022
Authorised Shares		
888,000,000 (March 31, 2022 : 888,000,000) Equity Shares of ₹1 each (March 31, 2022 : ₹ 1 each)	888	888
	888	**888**
Issued Shares		
151,894,693 (March 31, 2022 : 151,894,693) Equity Shares of ₹1 each (March 31, 2022 : ₹ 1 each)	152	152
	152	**152**
Subscribed & Fully Paid up Shares		
151,718,118 (March 31, 2022 : 151,718,118) Equity Shares of ₹1 each (March 31, 2022 : ₹ 1 each)	152	152
Total subscribed and fully paid up share capital	**152**	**152**

a. The difference between the issued and subscribed capital is on account of less number of shares allotted in right issue in earlier years.

b. **Terms/ rights attached to Equity Shares**

The Company has only one class of Equity Shares having a par value of ₹1 per share (March 31, 2022 ₹ 1 per share). Each holder of Equity Shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except interim dividend. In the event of liquidation, the Equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c. **Issue of Shares under employee stock option (ESOP) Scheme**

During the year ended March 31, 2023, the Company has issued Nil equity shares (March 31, 2022 Nil), as per exercise price to PII ESOP Trust, set up to administer Employee Stock Option Plan. Out of total equity shares issued to the Trust in previous years, 13,443 equity shares of face value of ₹ 1 each (March 31, 2022 33,442 equity shares of face value of ₹ 1 each) have been allocated by the Trust to respective employees upon exercise of Stock Option. As on March 31, 2023, 42,378 equity shares of face value of ₹ 1 per share (March 31, 2022 55,821 of face value of ₹ 1 each) are pending to be allocated to employees upon exercise of Stock Option. (Refer Note 31)

d. **Reconciliation of shares outstanding at the beginning and at the end of the reporting period**

Issued share capital

Equity Shares

	Equity Share (No. of Shares)		Value of Equity Shares	
Particulars	**2022-23**	**2021-22**	**2022-23**	**2021-22**
Share outstanding at beginning of period	15,18,94,693	15,18,94,693	152	152
Share outstanding at end of period	15,18,94,693	15,18,94,693	152	152

Subscribed & paid up

Equity Shares

	Equity Share (No. of Shares)		Value of Equity Shares	
Particulars	**2022-23**	**2021-22**	**2022-23**	**2021-22**
Share outstanding at beginning of period	15,17,18,118	15,17,18,118	152	152
Shares issued under employee stock option scheme	-	-	-	-
Share outstanding at end of period	15,17,18,118	15,17,18,118	152	152

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

e. Shares reserved for issue under option

Shares reserved for issue under employee stock option scheme is set out in Note 31

f. Details of shareholders holding more than 5% shares in the Company

Equity Shares

Name of Shareholders	2022-23 No of Shares	2022-23 % of Holding	2021-22 No of Shares	2021-22 % of Holding
Mr. Salil Singhal	98,07,472	6.46	85,54,857	5.64
Ms. Madhu Singhal	2,64,80,907	17.45	2,15,60,500	14.21
Mr. Mayank Singhal	3,10,28,510	20.45	3,20,28,510	21.11
Ms. Pooja Singhal	24,92,528	1.64	86,65,550	5.71

Details of shareholding by promoters

Name of Promoters	As on March 31, 2023 Number of Shares	As on March 31, 2023 % to total number of shares	As on March 31, 2023 Percentage of change during the year	As on March 31, 2022 Number of Shares	As on March 31, 2022 % to total number of shares	As on March 31, 2022 Percentage of change during the year
Mr. Mayank Singhal	3,10,28,510	20.45	(0.66)	3,20,28,510	21.11	-
Ms. Madhu Singhal	2,64,80,907	17.45	3.24	2,15,60,500	14.21	-
Mr. Salil Singhal	98,07,472	6.46	0.82	85,54,857	5.64	-
Ms. Pooja Singhal	24,92,528	1.64	(4.07)	86,65,550	5.71	
Ms. Shefali Khushalani	1,11,057	0.07	-	1,11,057	0.07	-
Mr. Salil Singhal (Holding as a trustee in SVVK Family Benefit Trust)	-	0.00	-	20	0.00	-

12 OTHER EQUITY

		As at March 31, 2023		As at March 31, 2022	
	Reserves & surplus				
a.	**Capital reserve**		15		15
	Capital Reserve pertains to amount transferred from capital redemption reserve which was created for redemption of preference share.				
b.	**Securities premium reserve**				
	Balance at the beginning of the financial year		21,999		21,999
	Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.				
c.	**SEZ Reinvestment reserve**				
	Balance at the beginning of the financial year	-		-	
	Add:- Transferred from retained earning	968	968	-	-
d.	**General reserve**		1,857		1,857
e.	**Surplus in statement of profit & loss**				
	Balance at the beginning of the financial year	36,008		28,563	
	Addition during the financial year	12,114		8,197	
	Add: Remeasurement gain / (loss) on defined benefit plans through OCI	18		6	
	Less: Transfer to SEZ reinvestment reserve	(968)		-	

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

		As at March 31, 2023		As at March 31, 2022	
	Less: Interim dividend (refer note 13)	(682)		(455)	
	Less: Final dividend (refer note 13)	(455)	46,035	(303)	36,008
	Items of other comprehensive income				
f.	**Cash flow hedge reserve**				
	Balance at the beginning of the financial year	356		275	
	Add: Other comprehensive income for the financial year	(414)	(58)	81	356
	Total		**70,816**		**60,235**

13 DISTRIBUTION MADE AND PROPOSED

A	Dividends declared and paid:	As at March 31, 2023	As at March 31, 2022
	Final dividend (March 31, 2023 pertains to financial year 2021-22 and March 31, 2022 pertians to financial year 2020-21)	455	303
	Interim dividend (March 31, 2023 pertains to financial year 2022-23 and March 31, 2022 pertians to financial year 2021-22)	682	455
	Total dividends	**1,137**	**758**
B	**Dividends not recognised at the end of the reporting period**	**As at March 31, 2023**	**As at March 31, 2022**
	In addition to the above dividends, subsequent to the year end the Board of Directors have recommeded a final dividend of ₹ 5.50 per fully paid equity share (March 31, 2022 ₹ 3).	834	455

This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

14 FINANCIAL LIABILITIES

14(a) BORROWINGS

	Non- Current		Current	
Name of Shareholders	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Secured				
Term Loans - From Banks				
Foreign Currency Loans from Banks at amortised cost	-	2,678	-	979
Less Current maturities of Foreign Currency Loans from Banks at amortised cost	-	(970)	-	-
Less: Interest accrued but not due on borrowings	-	(9)	-	-
TOTAL	**-**	**1,699**	**-**	**979**

a. Foreign currency loans includes:

External commercial borrowing from HSBC Bank, Singapore, outstanding as at beginning of the year aggregating Rs. 2,678 million (USD 35.36 million) was repaid in full on January 12, 2023, though the original maturity date of the loan was October 10, 2024. The loan was secured by exclusive charge on movable plant and machinery and building relating to multi purpose plant (MPP) - 10 & 11 of the Company situated at SPM 29/2, Jambusar (Gujarat). HSBC Bank, Singapore has confirmed (vide “No Dues certificate” dated April 24, 2023) that all security provided by Company in connection with the Facility Agreement shall be released and/or discharged. Subsequently, the Company has filed satisfaction of charge with Registrar of Companies on May 03, 2023

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

b.	Changes in liabilities arising from financing activities	As at March 31, 2023	As at March 31, 2022
	This section sets out changes in liabilities arising from financing activities pursuant to requirements under Ind AS 7		
	Current portion of long term financial borrowings	-	(979)
	Non-current portion of long term financial borrowings	-	(1,699)
	TOTAL	**-**	**(2,678)**
		Amount	**Amount**
	Balance as at the beginning of the year	**(2,678)**	**(3,279)**
	Foreign exchange translation gain/(loss)	(204)	(110)
	Interest expense	(70)	(54)
	Interest paid including foreign exchange translation (gain)/loss	294	49
	Amortisation of Prepaid Processing Charges on Loan	(11)	(4)
	Re-payments	2,669	720
	Balance as at the end of the year	**-**	**(2,678)**

c. **Loan covenants**

Under the terms of the major borrowing facilities, the Company was required to comply with the following financial covenants :

a. the Debt service coverage ratio (DSCR) must be higher than 2 as at year end. [DSCR = (PAT + Depreciation + Interest expenses + Deferred tax + Amortization)/ (Interest paid (including interest capitalized) + Finance charges paid + Long term and short term debt repayments excluding working capital)]

b. Fixed assets coverage ratio (FACR) must be higher than 1.25 as at year end [Fixed assets coverage ratio = (Hypothecated Movable Fixed Assets (net book value) + Immovable assets mortgaged (book value))/ (secured loan outstanding)]

c. External Debt/EBIDTA to be maintained below 2.5 as at year end. [Total debt or borrowings/ EBIDTA]

d. External gearing to be maintained below 2 as at year end.[Total debt or borrowings /Tangible net worth]

The company complied with these ratios till the repayment date. Since there is no loan outstanding at the year end, hence, there are no covenants to be complied with.

d. There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

e. The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were taken. In respect of the term loans which were taken in the previous year, those were applied in the respective year for the purpose for which the loans were obtained.

f. As on the Balance sheet date there is no default in repayment of loans and interest.

g. The Company has borrowings from banks on the basis of security of current assets. The Company has complied with the requirement of filing of quarterly returns/statements of current assets with the banks, as applicable, and these quarterly returns were in agreement with the unaudited books of accounts during the year ended March 31, 2023. However the Company has not filed return or statements for the quarter ended March 31, 2023 with the banks which will be filed subsequent to May 18, 2023, as per due date agreed.

14(b) TRADE PAYABLES

	As at March 31, 2023	As at March 31, 2022
Trade payables		
-Due to micro and small enterprises (Refer Note 36)	778	227
-Other trade payables*	7,582	8,613
TOTAL	**8,360**	**8,840**

* Other trade payable includes amount due to related parties amounting to ₹ 142 (March 31, 2022 ₹ 127)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

Trade Payable aging as on March 31, 2023

Particulars	Unbilled	Not Due	Less than 1 years	1-2 years	2-3 years	More than 3 Years	Total
	Outstanding for following periods from Due Date						
Undisputed trade payables							
Micro enterprises and small enterprises	-	722	48	1	7	-	778
Others	-	6,714	810	33	10	15	7,582
Disputed trade payables							
Micro enterprises and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	**-**	**7,436**	**858**	**34**	**17**	**15**	**8,360**

Trade Payable aging as on March 31, 2022

Particulars	Unbilled	Not Due	Less than 1 years	1-2 years	2-3 years	More than 3 Years	Total
	Outstanding for following periods from Due Date						
Undisputed trade payables							
Micro enterprises and small enterprises	-	212	15	-	-	-	227
Others	-	7,630	953	11	14	5	8,613
Disputed trade payables							
Micro enterprises and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	**-**	**7,842**	**968**	**11**	**14**	**5**	**8,840**

14(c)OTHER FINANCIAL LIABILITIES

	Non- Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Employee payables *	-	-	651	553
Security deposits from dealers	207	206	-	-
Security deposits from contractors	2	3	1	1
Unclaimed dividends	-	-	67	5
Unspent CSR (Refer note 24)	-	-	-	9
Creditors for capital purchases	-	-	348	311
Deferred Lease Liabilities				
Other payable **	-	-	977	956
Derivative financial instruments - foreign exchange forward contracts	55	-	37	-
TOTAL	**264**	**209**	**2,081**	**1,835**

* This includes due to directors amounting to ₹ 151 (March 31, 2022 ₹107)

** This includes due to non-executive/ independent directors and to related party amounting to ₹ 43 (March 31, 2022 : ₹ 50)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

14(d) Lease Liabilities

	Non- Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Lease Liabilities	227	253	106	117
	227	253	106	117

a. Changes in liabilities arising from financing activities- Lease liabilities :-

	As at March 31, 2023	As at March 31, 2022
Balance as at the beginning of the year	**370**	**424**
Interest expenses	40	38
Addition- lease liabilities	97	219
Deletion - lease liabilities	-	(123)
Lease rental paid	(174)	(188)
Balance as at the end of the year	**333**	**370**

15 PROVISIONS

	Non- Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits				
Long term compensated absences	-	-	144	137
Gratuity (refer note 30)	90	56	-	-
	90	**56**	**144**	**137**
Provisions for legal claims	**-**	**-**	**132**	**132**
	-	-	132	132
TOTAL	**90**	**56**	**276**	**269**

(i) Long term compensated absences

The long term compensated absences cover the Company's liability for earned leave which are classified as other long-term benefits.

The entire amount of provision of ₹ 144 is presented as current, since the company does not have an unconditional right to defer settlement for any of these obligations. However based on past experience, the company does not expect all employees to avail the full amount of accrued leave or require payment for such leave within next 12 months.

a. Changes in liabilities arising from financing activities- Lease liabilities :-

	As at March 31, 2023	As at March 31, 2022
Leave obligations not expected to be settled with in next 12 months	144	137

(ii) Information about provisions for legal claims

(a) Government of Rajasthan issued a notification resulting into an excise liability of ₹ 4 (March 31, 2022: ₹ 4). The Company has filed writ against the notification and has furnished fixed deposit against the said liability. The case is pending before Honorable Rajasthan High Court.

(b) An objection was raised by the excise department on classification of one of the product resulting into demand of differential excise duty. The Company filed an appeal against the order. As on March 31, 2023 provision for excise duty is Rs. 128 (March 31, 2022 Rs.128) . Case is pending before Tribunal of Excise & Customs, Ahmedabad.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

(ii) Movement in other provisions-

	Legal claims
As at 1 April 2021	264
Provisions reversal during the year	(132)
As at 31 March 2022	132
Provisions made during the year	-
Provision reversed during the year	-
As at March 31, 2023	132

16 DEFERRED TAX (ASSETS) / LIABILITIES

The balance comprises temporary differences attributable to:		As at March 31, 2023	As at March 31, 2022
Deferred tax liabilities			
Plant, property and equipment		2,809	2,447
Other comprehensive income items			
- Effective portion on cash flow hedges		(42)	180
Unrealised gain on mutual fund		285	161
Right of use assets		108	124
	A	**3,160**	**2,912**
Deferred tax assets			
Provision for employee benefits		(54)	(48)
Intangible assets		-	(19)
Other provisions		(15)	(18)
Other financial liabilities		(8)	(7)
Trade receivables		(213)	(208)
Lease liabilities		(116)	(129)
Other comprehensive income items			
- Remeasurements on defined benefit plans		(12)	(22)
Others		(62)	(31)
Minimmum alternate tax (MAT) credit entitlement		(2,393)	(1,514)
	B	**(2,873)**	**(1,996)**
Net deferred tax (assets)/ liabilities	**TOTAL**	**287**	**916**

Movement in deferred tax:	As at March 31, 2022	Recognized in P&L	Recognized in OCI	Other Adjustments*	As at March 31, 2023
Deferred tax liabilities					
Plant, property and equipment	2,447	362	-	-	2,809
Other comprehensive income items					
- Effective portion on cash flow hedges	180	-	(222)	-	(42)
Unrealised gain on mutual fund	161	124	-	-	285
Right of use assets	124	(16)	-	-	108
Sub- Total (a)	**2,912**	**470**	**(222)**	**-**	**3,160**
Deferred tax assets					
Provision for employee benefits	48	6	-	-	54
Intangible assets	19	(19)	-	-	-
Other provisions	18	(3)	-		15
Other financial liabilities	7	1	-	-	8
Trade receivables	208	5	-	-	213
Lease liabilities	129	(13)	-	-	116
Other comprehensive income items					

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

- Remeasurements on defined benefit plans	22	-	(10)	-	12
Others	31	31	-	-	62
Minimmum alternate tax (MAT) credit entitlement	1,514	926	-	(47)	2,393
Sub- Total (b)	**1,996**	**934**	**(10)**	**(47)**	**2,873**
Net deferred tax (assets)/ liabilities (a)-(b)	**916**	**(464)**	**(212)**	**47**	**287**

Movement in deferred tax:	As at March 31, 2021	Recognized in P&L	Recognized in OCI	Other Adjustments**	As at March 31, 2022
Deferred tax liabilities					
Plant, property and equipment	2,053	394	-	-	2,447
Other comprehensive income items					
- Remeasurements on defined benefit plans	-	-	-	-	-
- Effective portion on cash flow hedges	137		43	-	180
Unrealised gain	67	94	-	-	161
Right to use assets	140	(16)	-	-	124
Sub- Total (a)	**2,397**	**472**	**43**	**-**	**2,912**
Deferred tax assets					
Provision for employee benefits	63	(15)	-	-	48
Intangible assets	(14)	33			19
Other provisions	59	(41)	-	-	18
Other financial liabilities	6	1	-	-	7
Trade receivables	149	59	-	-	208
Lease liabilities	148	(19)	-	-	129
Other comprehensive income items					
- Remeasurements on defined benefit plans	25	-	(3)	-	22
Others	59	(44)	-	16	31
Minimmum alternate tax (MAT) credit entitlement	1,078	542	-	(106)	1,514
Sub- Total (b)	**1,573**	**516**	**(3)**	**(90)**	**1,996**
Net deferred tax (assets)/ liabilities (a)-(b)	**824**	**(44)**	**46**	**90**	**916**

*Actualisation of MAT credit utilisation for the FY 2022-23 on the basis of the return filed.

**Actualisation of MAT credit utilisation for the FY 2021-22 on the basis of the return filed.

17 OTHER CURRENT LIABILITIES

	As at March 31, 2023	As at March 31, 2022
Advance from customers	267	247
Refund/ Return liabilities *	261	300
Statutory dues payable	117	88
TOTAL	**645**	**635**

* The Company has a customary practice of accepting return and accordingly, the Company has recognised a refund liability for the amount of consideration received for which the Company does not expect to be entitled amounting to ₹ 261 (March 31, 2022: ₹ 300). The Company has also recognised a right to recover the returned goods ₹ 143 (March 31, 2022: ₹ 167). The costs to recover the products are not material because the customers usually return the product in a saleable condition.

18 CURRENT TAX LIABILITIES

	As at March 31, 2023	As at March 31, 2022
Provision for Income Tax (Net of Advance Income Tax ₹ 7,259 {March 31, 2022 ₹ 6,479})	54	86
TOTAL	**54**	**86**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

19 REVENUE FROM OPERATIONS

		Year ended March 31, 2023	Year ended March 31, 2022
	Revenue from contracts with customers:		
a)	Sale of products	62,236	50,164
b)	Sale of services	130	137
c)	Other operating revenues:		
	Scrap sales	35	99
	Export incentives	303	369
	Revenue From Operations (Net)	**62,704**	**50,769**

Reconciliation of revenue from sale of products recognised with the contract price:	Year ended March 31, 2023	Year ended March 31, 2022
Contract Price	64,712	52,643
Adjustments for:		
Refund liabilities	(261)	(300)
Discount/Incentives	(2,215)	(2,179)
Revenue from Sale of products	**62,236**	**50,164**

Critical judgements in recognising revenue :

The Company has recognised Provision for discounts and sales returns amounting to ₹ 660 millions from sale of products to various customers as at March 31, 2023 (March 31, 2022 ₹ 826). The provision has been determined by the management based on the current and expected operating environment, Sales returns variability, expected achievement of targets against various ongoing schemes floated.

20 OTHER INCOME

		Year ended March 31, 2023		Year ended March 31, 2022
Interest Income from financial assets at amortised cost		818		647
Unwinding of discount on security deposits		0		10
Net gain on financial assets measured at fair value through profit or loss				
'-Realized Gain		68		-
'-Unrealized Gain/ (Loss)		354		273
Net foreign exchange differences	208		-	
Less: transferred to capital work in progress	0	208	-	-
Dividend Income		0		-
Miscellaneous Income		141		69
TOTAL		**1,589**		**999**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

21 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

	Year ended March 31, 2023		Year ended March 31, 2022	
Closing balance				
Finished Goods	1,774		1,010	
Stock in trade	513		442	
Work in Progress	3,193		3,063	
Right to recover returned goods	143	5,623	167	4,682
Opening balance				
Finished Goods	1,010		1,415	
Stock in trade	442		355	
Work in Progress	3,063		994	
Right to recover returned goods	167	4,682	168	2,932
TOTAL		**(941)**		**(1,750)**

22 EMPLOYEE BENEFIT EXPENSE

	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus	4,533	4,149
Contribution to provident & other funds	177	164
Gratuity (Refer Note 30)	59	57
Long term compensated absences	26	33
Employees Welfare Expenses	210	176
TOTAL	**5,005**	**4,579**
Less: transferred to CWIP	**108**	**99**
	4,897	**4,480**

23 OTHER EXPENSES

	Year ended March 31, 2023	Year ended March 31, 2022
Power, fuel & water	1,900	1,530
Consumption of stores & spares	424	381
Repairs & maintenance		
- Buildings	61	83
- Plant and machinery	473	386
- Others	300	268
Environment & pollution control expenses	1,070	1,038
Laboratory & testing charges	457	345
Freight & cartage	825	753
Advertisement & sales promotion	614	472
Travelling and conveyance	607	408
Rental charges {Refer note 32(c)}	85	111
Rates and taxes	107	50
Insurance	163	168
Donation	1	5
Loss on Sale/Retirement of property, plant and equipment (Net)	1	-
Payment to auditors {Refer note 23 (a) below}	9	8

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

	Year ended March 31, 2023	Year ended March 31, 2022
Telephone and communication charges	73	70
Provision for bad and doubtful debts & advances	111	187
Director sitting fees and commission	51	37
Legal & professional fees	375	445
Technical Know How Fees	25	25
Bank charges	20	31
Net foreign exchange differences	-	31
Corporate social responsibility expenditure {Refer note 24 below}	165	137
Miscellaneous expenses	524	367
TOTAL	**8,441**	**7,335**
Less: transferred to CWIP	9	14
	8,432	**7,321**

a. Auditors' Remuneration	Year ended March 31, 2023	Year ended March 31, 2022
-Audit fees	7	6
- Limited review fees	1	2
-Certificates	0	0
-Reimbursement of expenses	1	0
TOTAL	**9**	**8**

24 CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

	Year ended March 31, 2023	Year ended March 31, 2022
Amount required to be spent by the Company during the year	165	137
Amount of expenditure incurred	165	137
Amount of Shortfall for the year	-	-
Amount of Cummulative shortfall at the end of the year	-	-

Disclosures in relation to corporate social responsibility expenditure

Particular	Year ended March 31, 2023	Year ended March 31, 2022
Contribution to PI foundation	165	137
Accrual towards unspent obligations in relation to:		
On going projects	-	-
Other than ongoing projects	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

Disclosure in Financial Statement

Details of ongoing CSR projects under Section 135(6) of the Act

Balance as at 1 April 2022		Amount spent during the year			Balance as at 31 March 2023 (Refer Note 1)	
With the company	In separate CSR unspent account (Refer note 1)	Amount required to be spent during the year	From the company's bank account (Refer note 1)	From separate CSR unspent account	With the company	In separate CSR unspent account
0	51	165	137	51	-	28

Note 1 - The company has transferred required amount to PI Foundation amounting to INR 165 (Previous Year: INR 137) and the out of which INR 28 (Previous Year: INR 42) has been refunded back to the company in April 2023 (Previous Year: April 2022) as the amount was not spent by PI Foundation.

Details of CSR expenditure U/S 135(5) of the act in respect of other than ongoing projects

Balance unspent as on April 01, 22	Amount deposited in Specified fund of Schedule VII of the act with in 6 month	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at March 31,2023
-	-	-	-	-

Details of excess SR expenditure under section 135(5) of the act

Balance excess spent as at April 01, 2022	Amount required to be spent during the year	Amount spent during the year	Balance excess spent as at March 31, 2023
-	-	-	-

25 DEPRECIATION AND AMORTIZATION EXPENSES

	Year ended March 31, 2022
Depreciation of property, plant and equipment (Refer Note 4)	1,720
Amortization of right-of-use assets (Refer Note 4)	158
Amortization of intangible assets (Refer Note 5)	106
TOTAL	**1,984**

26 FINANCE COST

	Year ended March 31, 2022
Interest on financial liabilities measured at amortised cost	85
Interest and finance charges on lease liability	38
TOTAL	**123**

27 INCOME TAX EXPENSE

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

a) **Income tax expense recognized in Profit and Loss**

	Year ended March 31, 2023	Year ended March 31, 2022
Current tax expense		
Current tax on profits for the year	2,509	1,759
Adjustment of current tax for prior year periods	58	93
Total Current tax expense	**2,567**	**1,852**
Deferred tax expense		
(Decrease) / Increase in Deferred tax liability	470	472
Decrease / (Increase) in Deferred tax assets	(934)	(516)
Net Deferred tax expense	**(464)**	**(44)**
Total Income tax expense	**2,103**	**1,808**

b) **Deferred tax related to items recognised in Other comprehensive income during the year**

	Year ended March 31, 2023	Year ended March 31, 2022
Remeasurement of defined benefit plans	10	3
Effective portion on cash flow hedges	(222)	43
Income tax charged to Other comprehensive income	**(212)**	**46**

c) **Reconciliation of tax expense and the accounting profit multiplied by India's tax rate**

	Year ended March 31, 2023	Year ended March 31, 2022
Accounting profit before tax	14,217	10,005
Tax at India's statutory income tax rate @ 34.944% (March 31, 2022: 34.944%)	**4,968**	**3,496**
Adjustment in respect of current income tax of previous years	58	93
Effect of income that is exempt from taxation (operations in tax free zone)	(2,950)	(1,826)
Effect of amounts which are not deductible in calculating taxable income	29	45
Others	(2)	-
Income Tax Expense	**2,103**	**1,808**

28 **RESEARCH & DEVELOPMENT EXPENSES**

Details of Expenditure on Research & Development Facilities/ division of the Company recognised by Department of Scientific & Industrial Research

a) **Revenue Expenditure**

	Year ended March 31, 2023	Year ended March 31, 2022
Other Income	**10**	**0**
TOTAL	**10**	**0**
Employee Benefit Expenses		
Salaries, Wages & Bonus	596	480
Contributions to Provident & other funds	40	40

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

	Year ended March 31, 2023	Year ended March 31, 2022
Employee Welfare Expenses	20	13
	656	**533**
Raw & Packing Materials Consumed	**10**	**130**
Other Expenses		
Laboratory & testing Material	235	68
Power, Fuel & Water	58	47
Consumption of stores & spares	88	31
Testing &analysis	35	40
Travelling & conveyance	26	18
Rates and taxes	26	0
Printing & Stationery	1	1
Bank Charges	0	0
Legal & professional fees	60	54
Miscellaneous Expenses	82	114
	611	**373**
Depreciation		
Depreciation	165	153
TOTAL	**1,442**	**1,189**
Total Expenditure Allowed	**1,432**	**1,189**

b) **Capital Expenditure**

Description	Year ended March 31, 2023	Year ended March 31, 2022
Buildings	40	2
Equipments & Others	385	183
TOTAL	**425**	**185**

29A EARNING PER SHARE

		Year ended March 31, 2023	Year ended March 31, 2022
a)	Net Profit for Basic & Diluted EPS	12,114	8,197
b)	Number of Equity Shares at the beginning of the year	15,17,18,118	15,17,18,118
	Total Number of Shares outstanding at the end of the Period	15,17,18,118	15,17,18,118
	Weighted Average number of Equity Shares outstanding during the period - Basic	15,17,18,118	15,17,18,118
	Add: Weighted Average number of Equity Shares arising out of grant of ESOP		
	Weighted Average number of Equity Shares outstanding during the year - Diluted	15,17,18,118	15,17,18,118
	Earning Per Share - Basic (₹)	**79.84**	**54.03**
	Earning per share - Diluted (₹)	**79.84**	**54.03**
	Face value per share (₹)	**1.00**	**1.00**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

29B RATIO ANALYSIS

S.No.	Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% Variance	Reason for variance
1	Current ratio (times)	Current asset	Current Liabilites	4.70	3.69	27%	Repayment of Debt during the year resulted into this variance
2	Debt-Equity ratio (times)	Borrowing	Total Equity	-	0.04	-100%	Repayment of Debt during the year resulted into this variance
3	Debt Service Coverage ratio (times)	Earnings (Net profits) after tax + Non cash operating expense + interest	Debt Serive = Interest and Principal payments including lease payments	4.64	10.42	-55%	Reduced Debt liability on account of repayment during the year and Increase in profits after tax for the year.
4	Return on Equity ratio %	Profit after tax	Average Equity	18.45%	14.5%	27%	Increase in profits after tax resulted into this improvement.
5	Inventory Turnover ratio (times)	COGS	Average Inventory	2.55	2.38	7%	Not required
6	Receivables Turnover ratio (times)	Sales	Average Receivable (Including contract assets)	7.45	5.91	26%	Increase in Revenue resulted into this improvement.
7	Payables Turnover ratio (times)	Purchases	Average Payable	3.96	3.73	6%	Not required
8	Net Capital Turnover ratio (times)	Sales	Net working capital (CA-CL)	1.47	1.48	-1%	Not required
9	Net Profit ratio %	Profit after tax	Sales	19.32%	16.15%	20%	Increase in Revenue and profits resulted into this improvement.
10	Return on Capital Employed %	Earnings before interest and Tax (EBIT)	Total Equity + Debt + Deferred tax liabililty - QIP funds	25.59%	20.82%	23%	Increase in profits resulted into this improvement.
11	Return on Investment %	Earnings before interest and Tax (EBIT)	Average Total Assets	18.26%	13.88%	32%	Increase in profits before interest and tax.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

30 EMPLOYEE BENEFITS

The Company participates in defined contribution and benefit schemes, the assets of which are held (where funded) in separately administered funds. For defined contribution schemes the amount charged to the statements of profit or loss is the total of contributions payable in the year.

Provident Fund

In accordance with the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 (EPF and MP Act), employees are entitled to receive benefits under the Provident Fund. Employers and employees both contribute @12% of wages in contribution accounts. Further, the employers also contribute towards administration of the benefits under the EPF and MP Act. All employees have an option to make additional voluntary contributions as permissible under the Act. These contributions are made to the fund administered and managed by the Employee Provident Fund organization. The Company has no further obligations under the fund managed by the Employee Provident Fund Organization (EPFO) beyond its monthly contributions which are charged to the statements of profit or loss in the period they are incurred. The benefits are paid to employees on their retirement or resignation from the EPFO. Also, refer note 33.

Gratuity Plan

In accordance with the Payment of Gratuity Act of 1972, PI Industries Limited has established a defined benefit plan (the "Gratuity Plan"). The Gratuity Plan provides a lump sum payment to the employees at the time of retirement or resignation (after 5 years of continued services of employment), being an amount based on the respective employee's last drawn salary and the number of years of employment with the Company. Based on actuarial valuations conducted as at year end, a provision is recognised in full for the benefit obligation over and above the funds held in the Gratuity Plan. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income.

Long term compensated absences

The liabilities for compensated absence namely earned and contingency leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit and loss.

a) Defined Contribution Plans: -

The Company has recognised an expense of ₹ 177 (Previous Year ₹ 164) towards the defined contribution plan

b) Defined benefits plans - as per actuarial valuation

	Year ended March 31, 2023	Year ended March 31, 2022
	Gratuity Funded	Gratuity Funded
I Change in present value of obligation during the year		
Present value of obligation at the beginning of the year	430	407
Total amount included in profit and loss: *		
- Current Service Cost	55	52
- Interest Cost	30	27
- Past Service Cost	-	-
Total amount recognised in profit or loss	**85**	**79**
Acquisition adjustment	**3**	**-**
Total amount included in OCI:		
Remeasurement related to gratuity:		
Actuarial losses/(gains) arising from:	(2)	(9)
- Demographic Assumption	-	3
- Financial assumption	(6)	(16)
- Experience Judgement	4	4
Others		
Benefits Paid	(36)	(47)
Present Value of obligation as at year-end	**480**	**430**

*Includes expenses reclassified to capital work in progress ₹ 5 (March 31, 2022 ₹ 3)

II Change in Fair Value of Plan Assets during the year

	Year ended March 31, 2023	Year ended March 31, 2022
Plan assets at the beginning of the year	374	320
Included in profit and loss:		
Expected return on plan assets	26	22
Included in OCI:		
Actuarial Gain/(Loss) on plan assets	26	(0)
Others:		
Employer's contribution	-	80
Benefits paid	(36)	(46)
Claim received during the year from fund manager		

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

	Year ended March 31, 2023	Year ended March 31, 2022
Pending claim with fund manager	-	(2)
Plan assets at the end of the year	**390**	**374**

III Reconciliation of Present value of Defined Benefit Obligation and Fair Value of Plan Assets

	Year ended March 31, 2023	Year ended March 31, 2022
	Gratuity Funded	Gratuity Funded
1 Present Value of obligation as at year-end	480	430
2 Fair value of plan assets at year-end	390	374
Funded status {Surplus/ (Deficit)}	(90)	(56)
Net Asset/(Liability)	**(90)**	**(56)**

IV Bifurcation of Present value of obligation at the end of the year

	Year ended March 31, 2023	Year ended March 31, 2022
	Increase	Increase
1 Non-Current Liability	90	56
V Actuarial Assumptions		
1 Discount Rate	7.36%	7.18%
2 Mortality Table	IALM (2012-14)	IALM (2012-14)
3 Salary Escalation	7.00%	7.00%

VI The expected contribution for Defined Benefit Plan for the next financial year will be ₹ 73 (March 31, 2022: ₹ 65).

VII Sensitivity Analysis

Gratuity	Year ended March 31, 2023	Year ended March 31, 2022
Discount rate (0.50 % movement)	(21)	(17)
Future salary growth (0.50 % movement)	14	18

VIII Maturity Profile of Defined Benefit Obligation

	Year ended March 31, 2023	Year ended March 31, 2022
	Gratuity Funded	Gratuity Funded
Within the next 12 months	31	20
Between 2-5 years	166	106
Beyond 5 years	283	304

IX Major Categories of plan assets:

The plan assets are managed by the Gratuity Trust formed by the Company. The management of 100% of the funds is entrusted with the Life Insurance Corporation of India, HDFC Standard Life Insurance Company Ltd. and Kotak Mahindra Old Mutual Life Insurance Ltd. Refer Below for major categories of plan assets invested where available.

a) Life Insurance Corporation of India (LIC):- The details of investments maintained by LIC are not available and have therefore not been disclosed.

b) HDFC Standard Life Insurance Company Ltd.:- 31.30% (PY 31.44%) of the Funds are in Defensive Manager Fund and 68.69% (PY 68.55%) of the Funds are in Secure Managed Fund.

c) Kotak Mahindra Old Mutual Life Insurance Ltd. - 44.64% (PY 44.29%) of the Funds are in Kotak Group Bond Fund, 35.43% (PY 35.94%) of the Funds are in Kotak Group Balance Fund and 19.93% (PY 19.77%) of the Funds are in Kotak Group Short Term Bond Fund.

X Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow -

A) Salary Increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

B) Investment Risk – If Plan is funded then the mismatch between assets and liabilities and actual return on assets being lower than the discount rate assumed at the last valuation date can impact the liability.

C) Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.

D) Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

E) Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

C) Long term compensated absences

The provision for long term compensated absences covers the Company's liability for earned and sick leave, the amount of provision recognised is ₹ 144 (March 31, 2022 ₹ 137).

31 SHARE BASED PAYMENTS

Employee Stock Option Plan

The Company provides share-based payment schemes to its employees. The relevant details of the scheme are as follows:

In December 2010, the Board of Directors approved the PII ESOP 2010 Scheme in order to reward the employees for their past association and performance as well as to motivate them to contribute to the growth and profitability of the Company (including subsidiary companies) with an intent to attract and retain talent in the organization. The aforesaid scheme was duly approved by shareholders in its EGM held on January 21, 2011 and is administered through independent trust. The Compensation Committee of the Board has granted following options under PII ESOP 2010 Scheme to certain category of employees as per criteria laid down by Compensation Committee of the Board.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

Key terms of the scheme	
Date of Shareholder's Approval	21-Jan-11
Total Number of Options approved	62,62,090
Vesting Requirements	Options shall vest after a lock in period of one year from the date of grant. Option shall vest in four years as per the Company's ESOP plan. (Refer vesting schedule below)
The Pricing Formula	10% discount to market price on National Stock Exchange a day prior to date of grant
Maximum term of Options granted (years)	10 years
Key terms of the scheme	
Method of Settlement	Shares
Source of shares	Primary-Fresh equity allotment by Company to the Trust
Variation in terms of ESOP	Nil
Vesting schedule	Under the plan, participants are granted options which vests at 15%, 25%, 30%, 30% respectively each year over a period of 4 years or as defined in Grant letter.
Exercisable period	Once vested, the options remain exercisable for a period of six years
Vesting condition	Vesting shall be computed through performance evaluation method based on conditions pre-communicated to employees.

I. Option Movement during the year ended March 2023

Particulars	March 31, 2023		March 31, 2022	
	No. of Options	Wt. avg exercise Price (in ₹)	No. of Options	Wt. avg exercise Price (in ₹)
No. of Options Outstanding at the beginning of the year	55,821	604.59	89,263	599
Total number of shares arising as a result of exercise of options	13,443	626.94	33,442	509.54
Money realised by exercise of options (₹ Mn)	-	NA	-	NA
Number of options Outstanding at the end of the year	42,378	597.37	55,821	604.49
Number of Options exercisable at the end of the year	42,378	597.37	55,821	604.49

II. Weighted Average remaining contractual life

Range of Exercise Price	March 31, 2023		March 31, 2022	
	No. of Options Outstanding	Weighted average contractual life (years)	No. of Options Outstanding	Weighted average contractual life (years)
75 to 150	373	0.34	373	1.34
150 to 450	-	NA	750	2.47
450 to 750	42,005	2.96	54,698	3.91

III. The weighted average market share price of options exercised during the year ended March 31, 2023 is ₹ 3,146 (March 31, 2022 is ₹ 2,930.88)

		March 31, 2023	March 31, 2022
a.	Estimated Amount of Contracts remaining to be executed on capital account and not provided for {Net of advances ₹ 37 (March 31, 2022: ₹ 76)}	838	12
b.	Export Commitment	7,706	7,630
c.	Leases		

Operating lease commitments - As lessee

The Company leases various offices, warehouses, godown, IT equipment and vehicles. Rental contracts are typically made for fixed periods of 6 months to 9 years. The leases have varying terms, escalation clauses and renewal rights. The Company has recognised Right of Use Assets for these leases except for short term and low value lease (refer table below).

Particular	March 31, 2023	March 31, 2022
Short term lease expense	83	62
Low value lease expense	2	49
Total (refer note 23)	85	111

33 CONTINGENT LIABILITIES

		March 31, 2023	March 31, 2022
a.	Claims against the company not acknowledged as debt; *		
	(refer note below)		
	- Sales Tax	212	44
	- Excise Duty	327	327
	- Income Tax	521	585
	- Custom	126	108
	- Other matters, including claims relating to customers, labour and third parties etc.	129	97

Notes: Represents amounts as stated in Demand Order excluding interest.

* Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of the cash outflows, if any, in respect of the above as it is determinable only on receipt of the judgements/ decisions pending with various forums / authorities.

The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

"In Company's assessment the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/ Vivekananda Vidya Mandir/284) dated March 20, 2019 and circular No. C-I/1(33)2019/Vivekanand Vidyamandir/717 dated August 28, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 and computation of liability to be done as per provision of Para 2(f) of EPF Scheme, 1952, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in these Financial Statements".

34 OPERATING SEGMENT

An operating segment is defined as a component of the entity that represents business activities from which it earns revenues and incurs expenses and for which discrete financial information is available. The operating segments are based on the Company's internal reporting structure and the manner in which operating results are reviewed by the Chief Operating Decision Maker (CODM).

The Company has evaluated the applicability of segment reporting and has concluded that since the Company is operating in the field of Agro Chemicals both in the domestic and export markets and the CODM reviews the overall performance of the agro chemicals business, accordingly the Company has one reportable business segment viz. Agro Chemicals.

I. Revenue:

A. Information about product revenues:

The Company is in the business of manufacturing and distribution of Agro Chemicals. The amount of its revenue from external customers broken down by products is shown in the table below:

	March 31, 2023	March 31, 2022
Active Ingredients and Intermediates	51,346	39,718
Formulations	10,605	9,854
Others	753	1,197
TOTAL	**62,704**	**50,769**

Active Ingredients are the biologically active ingredients of a plant protection product. Formulations mean the combination of various ingredients (active ingredients, co-formulants and solvents) designed to render the product useful and effective.

B. Geographical Areas

The Company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below (also refer note 38):

	March 31, 2023	March 31, 2022
India	12,400	11,969
Asia (other than India)	14,174	14,628
North America	27,227	16,334
Europe	6,037	3,576
Rest of the World	2,866	4,262
TOTAL	**62,704**	**50,769**

The revenue from external customers in India as mentioned above is recognized at a point in time i.e., when control of the products is transferred to the customers. Revenue from external customers from locations except India represents contract manufacturing wherein the revenue is recognized over the period of time or at a point in time depending on the conditions as specified in the accounting policy. Refer Note 3(h).

II. The total of Non-current assets (other than financial instruments and current tax assets), broken down by location of the assets, is shown in the table below:

	March 31, 2023	March 31, 2022
India	26,509	25,492
Asia (other than India)	0	0
Europe	3	4
TOTAL	**26,512**	**25,496**

35 RELATED PARTY DISCLOSURES

Related party disclosure, as required by Indian Accounting Standard-24, is as below:

a) Nature of Related Party relationship

(i) - Subsidiaries, Associates and Controlled Trust:

(a)	PILL Finance and Investment Limited	Subsidiary
(b)	PI Life Science Research Limited	Subsidiary
c)	PI Japan Co. Limited	Foreign Subsidiary
d)	Solinnos Agro Sciences Private Limited	Associate
(e)	PI Kumiai Private Limited	Joint Venture
(f)	PII ESOP Trust	Controlled Trust
(g)	PI Health Sciences Limited	Subsidiary (Incorporated as wholly owned subsidiary of the Company w.e.f. September 03, 2021)
(h)	Jivagro Limited	Subsidiary
(i)	PI Fermachem Private Limited	Subsidiary
(j)	PI Bioferma Private Limited	Subsidiary

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

(ii) - Key Management Personnel (KMP) & their relatives with whom transactions have taken place:

(a) Key Management Personnel	
Mr. Mayank Singhal	Vice Chairman and Managing Director
Mr. Rajnish Sarna	Joint Managing Director (w.e.f. May 18, 2021) and Whole time Director (till May 17, 2021)
Dr. Raman Ramachandran	Managing Director & CEO (till December 31, 2021) Non-Executive – Non Independent Director (w.e.f. January 01, 2022 till June 30, 2022)
Mr. Narayan K. Seshadri	Non-Executive Independent Director till September 05, 2022 (Chairperson) Non-Executive Non Independent Director w.e.f September 06, 2022 (Chairperson)
Mr. Pravin K. Laheri	Independent Non-Executive Director (retired on September 05, 2022)
Ms. Ramni Nirula	Independent Non-Executive Director (retired on September 05, 2022)
Mr. Arvind Singhal	Non-Executive Non Independent Director
Dr. Tanjore Soundararajan Balganesh	Independent Non-Executive Director

(a) Key Management Personnel	
Ms. Lisa Jane Brown	Independent Non-Executive Director
Mr. Shobinder Duggal	Independent Non-Executive Director (w.e.f. November 12, 2021)
Ms. Pia Singh	Independent Non-Executive Director (w.e.f. August 03, 2022)

(b) Relatives of Key Management Personnel	
Mr. Salil Singhal	Father of Mr. Mayank Singhal
Ms. Madhu Singhal	Mother of Mr. Mayank Singhal
Ms. Pooja Singhal	Sister of Mr. Mayank Singhal
Ms. Shefali Khushalani	Sister of Mr. Mayank Singhal

(iii) - Entities controlled by KMP with whom transactions have taken place:

(a) PI Foundation

(b) Singhal Foundation

(c) Tranzmute LLP

(d) Wolkem India Limited

b) The following transactions were carried out with related parties in the ordinary course of business:

Nature of Transaction	Type of relation	2022-23 Transactions during the period	2022-23 Balance outstanding Dr (Cr)	2021-22 Transactions during the period	2021-22 Balance outstanding Dr (Cr)
Compensation to KMP					
-Short term employee benefits	a(ii)(a)	262		273	
-Post employment benefits		20		17	
-Commission and other benefits to non-executive/ independent directors		51		37	
Total		**333**	**(280)**	**327**	**(214)**
Other Transactions					
Purchase of services	a(i)(b)	59	-	57	(13)
	a(i)(c)	55	(9)	63	(10)
	a(ii)(b)	14	(1)	14	(4)
	a(i)(g)	-	0	2	-
	a(i)(h)	4	-	1	-
	a(iii)(d)	1	-	-	-
Purchase of Goods	a(i)(e)	679	(52)	594	(80)
	a(i)(h)	144	(8)	75	(37)
	a(i)(d)	251	(73)	-	-
Sales of services	a(i)(d)	8	3	1	0
	a(i)(e)	92	-	78	-
	a(i)(h)	43	-	26	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

Nature of Transaction	Type of relation	2022-23		2021-22	
		Transactions during the period	Balance outstanding Dr (Cr)	Transactions during the period	Balance outstanding Dr (Cr)
Sale of Capital Goods	a(i)(h)	-	-	2	-
Sale of Goods	a(i)(e)	285	187	335	144
	a(i)(h)	479	106	490	165
	a(i)(g)	35	41	-	-
Rent and Power Cost received					
	a(i)(b)	3	0	5	-
Rent received	a(i)(d)	1	-	0	-
Rent received	a(i)(e)	4	-	4	-
Rent received	a(i)(h)	3	-	2	-
Rent received	a(i)(g)	0	0	-	-
Rent paid	a(i)(a)	0	(0)	0	-
Rent paid	a(ii)(b)	2	-	2	-
Security Deposits	a(i)(a)	-	0	-	0
Loans given	a(i)(f)	-	58	-	53
	a(i)(g)	690	690	27	-

Nature of Transaction	Type of relation	2022-23		2021-22	
		Transactions during the period	Balance outstanding Dr (Cr)	Transactions during the period	Balance outstanding Dr (Cr)
				-	-
Advance given	a(i)(b)	-	-	1	1
	a(i)(h)	-	-	9	9
	a(ii)(b)	-	-	2	2
Loans Received back	a(i)(g)	-	-	27	-
Interest Received	a(i)(g)	16	-	0	-
Travel & Other expenditure incurred	a(ii)(a)	51	-	26	(0)
	a(ii)(b)	10	-	1	-
Reimbursement on account of expenses incurred					
	a(i)(e)	0	-	-	-
	a(i)(h)	4	-	-	-
	a(iii)(c)	1	-	-	-
Recovery of dues on account of expenses incurred	a(i)(c)	1	-	-	-
	a(i)(g)	2			

Nature of Transaction	Type of relation	2022-23 Transactions during the period	2022-23 Balance outstanding Dr (Cr)	2021-22 Transactions during the period	2021-22 Balance outstanding Dr (Cr)
	a(i)(h)	2	-	-	-
	a(iii)(d)	3	3	-	-
Dividend Paid	a(ii)(a)	240	-	163	-
	a(ii)(b)	292	-	194	-
	a(i)(f)	0	-	0	-
Investments	a(i)(i)	1	-	-	-
	a(i)(j)	1	-	-	-
	a(i)(g)	235	-	10	-
Contribution towards CSR Activities	a(iii)(a)	165	-	137	-
Donation	a(iii)(a)	-	-	0	-
	a(iii)(b)	-	-	5	-

c) Terms and conditions of transactions with related parties

The sales and purchases / services rendered to and from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2022: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

36 DISCLOSURES REQUIRED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006

	March 31, 2023	March 31, 2022
	Amount	Amount
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end*	56	15
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0	0
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	723	455
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	4	3
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
Interest accrued and remaining unpaid at the end of each accounting year	1	0
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	-	-

*Does not include principal amount outstanding but not due of Rs 722 (March 31, 2022 Rs 212) as the balance is not due as on the reporting period.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

37 FINANCIAL INSTRUMENTS

1 Financial instruments – Fair values and risk management

A. Financial instruments by category

	Note	March 31, 2023			March 31, 2022		
		FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial Assets							
Non-current Assets*							
Derivative financial instruments	**7(g)**	-	-	-	-	273	-
Other financial asset	**7(g)**	-	-	157	-	-	1,522
Loans and advances	**7(c)**	-	-	690	-	-	-
Current Assets							
Investments	7(b)	8,819	-	1,024	7,331	-	1,216
Trade receivables	7(d)	-	-	6,934	-	-	7,913
Cash and cash equivalents	7(e)	-	-	8,047	-	-	3,095
Bank balance other than cash and cash equivalents	7(f)	-	-	13,276	-	-	10,122
Loans and advances	7(c)	-	-	137	-	-	89
Derivative financial instruments	7(g)	-	-	-	-	316	-
Other financial assets	7(g)	-	-	17	-	-	134
TOTAL		**8,819**	**-**	**30,282**	**7,331**	**589**	**24,091**
Financial Liabilities**							
Non-current Liabilities							
Borrowings	14(a)	-	-	-	-	-	1,699
Derivative Financial Instrument	14(c)	-	55	-	-	-	-
Other financial liabilities	14(c)	-	-	209	-	-	209
Current Liabilities							
Borrowings	14(a)	-	-	-	-	-	979
Trade payables	14(b)	-	-	8,360	-	-	8,840
Derivative Financial Instrument	14(c)	-	37	-	-	-	-
Other financial liabilities	14(c)	-	-	2,044	-	-	1,835
TOTAL		**-**	**92**	**10,613**	**-**	**-**	**13,562**

* Excluding Investment in subsidiaries measured at cost in accordance with Ind AS 27

**Excluding lease liabilities measured in accordance with Ind AS 116

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

Financial assets and liabilities measured at fair value - recurring fair value measurements

	Note	March 31, 2023			March 31, 2022		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets:-							
Investment in mutual funds	7(b)	8,819	-	-	7,331	-	-
Derivative financial instruments	7(g)	-	-	-	-	589	-
TOTAL		**8,819**	**-**	**-**	**7,331**	**589**	**-**
Financial Liabilities: -							
Derivative financial instruments	14(c)	-	92	-	-	-	-
TOTAL		**-**	**92**	**-**	**-**	**-**	**-**

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

	Note	March 31, 2023			March 31, 2022		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets							
Security deposits	7(g)	-	-	92	-	-	77
Loans and advances to related parties		-	-	755	-	-	65
	7(c)						
TOTAL		-	-	847	-	-	142
Financial liabilities							
Security deposits from contractors	**14(c)**	**-**	**-**	**3**	**-**	**-**	**4**
TOTAL		**-**	**-**	**3**	**-**	**-**	**4**

The fair value of cash and cash equivalents, bank balances other than Cash and cash equivalents, deposits with financial institution, trade receivables, short term loans, contract assets, current financial assets, trade payables, current financial liabilities and borrowings approximate their carrying amount, largely due to the short-term nature of these instruments. Long-term debt has been contracted at floating rates of interest, which are reset at short intervals. Accordingly, the carrying value of such long-term debt approximates fair value. Fair value for security deposits (other than perpetual security deposits) has been presented in the above table. Fair value for all other non-current assets and liabilities is equivalent to the amortised cost, interest rate on them is equivalent to the market rate of interest.

Fair value hierarchy

The table shown above analyses financial instruments carried at fair value, by valuation method. The different levels have been defined below:

Level 1 - This includes financial instruments measured using quoted prices. The mutual funds are valued using closing net assets value (NAV).

Level 2 – The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There are no transfers between level 1, level 2 and level 3 during the year.

Valuation technique used to determine fair value:

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

The fair values for security deposits (assets & liabilities) were calculated based on present values of cash flows and the discount rates used were adjusted for counterparty or own credit risk. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit.

38 FINANCIAL RISK MANAGEMENT

Risk management framework

The Company is exposed to credit risk, liquidity risk and market risk. The Company's board of directors has the overall responsibility for the management of these risks and is supported by Management Advisory Committee that advises on the appropriate financial risk governance framework. The Company has risk management policies and systems in place which are reviewed regularly to reflect changes in market

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

conditions and price risk along with the Company's activities. The Company's audit committee oversees how management monitors compliance with the financial risk management policies and procedures and reviews the adequacy of risk management framework in relation to the risks faced by the Company.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and impact of hedge accounting in the financial statements.

I. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligation, and arises from the operating activities primarily (trade receivables) and from its financing activities including cash and cash equivalents, deposits with banks, derivatives and other financial instruments. The carrying amount of financial assets represents the maximum credit exposure and is as follows:

Trade and other receivables and contract assets

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate including the past trends on recoverability, ECL provision is considered based on the matrix defined below.

The Company has established a credit policy under which each customer is analyzed individually for creditworthiness before the Company's credit terms are offered. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. Credit limits are established for each customer and reviewed periodically. Any sales order exceeding those limits requires approval from the appropriate authority.

There is one customer having revenue of ₹ 27,802 (March 31, 2022 ₹ 17,435) including an amount of ₹ 19,596 and ₹ 8,206 (March 31, 2022 ₹ 8,692 and ₹ 8,743) arising from shipments to United States of America and Japan respectively.

The concentration of credit risk is limited in domestic market due to the fact that the customer base is large and unrelated. The Company's exports are mainly carried out in countries which have stable economic conditions, where the concentration is relatively higher; however the credit risk is low as the customers have good credit ratings.

The Company computes an allowance for impairment of trade receivables based on a simplified approach, that represents its expected credit losses. The Company uses an allowance matrix to measure the expected credit loss of trade receivables. Loss rates are based on actual credit loss experienced over the past 3 years. These loss rates are adjusted by considering the available, reasonable and supportive forward-looking information.

The following table provides information about the exposure to credit risk and expected credit loss as at 31 March 2023 and 31 March 2022 for both trade receivables and interest & other charges recoverable from customers under the simplified approach:

As at 31 March 2023	Not due	0-90 days	91-180 days	181-270 days	271-365 days	1-2 year	> 2 year	Others*	Total
Gross carrying amount	5,254	828	262	65	12	184	497	597	7,699
Expected loss rate	0.53%	3.15%	16.17%	41.67%	73.85%	73.85%	100.00%	0.00%	
Expected credit losses	28	26	42	27	9	136	497	-	765
Carrying amount (net of impairment)	5,226	802	220	38	3	48	-	597	6,934

As at 31 March 2022	Not due	0-90 days	91-180 days	181-270 days	271-365 days	1-2 year	> 2 year	Others*	Total
Gross carrying amount	5,193	1,593	573	76	65	96	422	609	8,627
Expected loss rate	0.77%	2.53%	13.60%	37.58%	64.07%	64.07%	100.00%	0.00%	
Expected credit losses	40	40	78	29	42	62	422	-	713
Carrying amount (net of impairment)	5,153	1,553	495	47	23	34	-	609	7,914

* Others include refund/ return liabilities provision and related party receivable balances as ECL on the related party receivables is nil.

Reconciliation of loss allowance provision – Trade receivables and Interest and Other charges recoverable from customer

	March 31, 2023	March 31, 2022
Opening balance	713	531
Changes in loss allowance (refer note 23)	111	187
Write-off / Adjustment	(60)	(5)
Closing balance	**764**	**713**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

The exposure to credit risk and expected credit loss on contract assets as at 31 March 2023 and 31 March 2022 is insignificant and hence no loss allowance has been made.

Cash and cash equivalents, deposits with banks, mutual funds and other financial instruments

Credit risk from balances with banks and other financial instruments is managed by Company in accordance with its policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the management and may be updated throughout the year. Company also invests in mutual funds based on the credit ratings, these are reviewed for safety, liquidity and yield on regular basis.

Impairment on cash and cash equivalents, deposits and other financial instruments has been measured on the 12-month expected credit loss basis and reflects the short maturities of the exposures. For financial assets which are long term in nature, the expected credit loss is insignificant.

Accordingly, based on the assessment there is no material allowance in the above financial assets.

Derivatives

The derivatives are entered with banks and financial institution counterparties which have low credit risk based on external credit ratings of counterparties.

Exposure to credit risk:

The gross carrying amount of financial assets, net of impairment losses recognized represents the maximum credit exposure. The maximum exposure to credit risk as at March 31, 2023 and March 31, 2022 was as follows:

	March 31, 2023	March 31, 2022
Trade receivables	6,934	7,913
Cash and cash equivalents	8,047	3,095
Bank balances other than above	13,276	10,122
Other non -current financial assets	-	1,397
Non-current financial investment at amortised cost	-	202
Investments	9,843	8,547
Loans	827	89
Other financial assets	174	2,245
TOTAL	**39,101**	**33,610**

II. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company’s approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company’s reputation. Due to the dynamic nature of underlying businesses, the Company maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecast of Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. In addition, the company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

(a) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

	March 31, 2023	March 31, 2022
Expiring within one year		
- Fund based (Floating rate)	-	2,830

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

(b) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include estimated interest payments and exclude the impact of netting agreements

March 31, 2023	Contractual cash flows					
	Total	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Term Loans from Banks	-	-	-	-	-	-
Interest payment on term loan	-	-	-	-	-	-
Trade Payables (Due to micro and small enterprises)	**778**	778	-	-	-	-
Trade Payables (Other Trade Payables)	**7,582**	7,582	-	-	-	-
Employee payables	**651**	-	651	-	-	-
Security Deposits from Dealers	**207**	-	-	-	-	207
Security Deposits from Contractors	**3**	1	-	2	-	-
Unclaimed Dividends	**67**	67	-	-	-	-
Creditors for Capital Purchases	**348**	348	-	-	-	-
Lease Liability	**405**	36	98	94	145	32
Other Payable	**977**	577	400	-	-	-
TOTAL	**11,018**	**9,389**	**1,149**	96	145	239

March 31, 2022	Contractual cash flows					
	Total	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Term Loans from Banks	**2,689**	**252**	**731**	974	732	-
Interest payment on term loan	**50**	**9**	**22**	16	3	-
Trade Payables (Due to micro and small enterprises)	**227**	**227**	-	-	-	-
Trade Payables (Other Trade Payables)	**8,613**	**8,613**	-	-	-	-
Employee payables	**553**	**28**	**525**	-	-	-
Unspent CSR	**51**	-	**51**	-	-	-
Security Deposits from Dealers	**206**	-	-	-	-	206
Security Deposits from Contractors	**4**	**4**	-	-	-	-
Unclaimed Dividends	**5**	**5**	-	-	-	-
Creditors for Capital Purchases	**311**	**311**	-	-	-	-
Lease Liability	**454**	**43**	**105**	108	153	45
Other Payable	**956**	**433**	**523**	-	-	-
TOTAL	**14,119**	**9,925**	**1,957**	1,098	888	251

III. Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

The Company is exposed to market risk primarily related to foreign exchange rate risk (currency risk), interest rate risk and market value of its investments. Thus, the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

Foreign Currency risk

The company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US$ and Euro. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (₹). The Company uses forward exchange contracts to hedge its currency risk and are used exclusively for hedging purposes and not for trading and speculative purposes. These forward exchange contracts, carried at fair value, may have varied maturities depending upon the primary host contract requirement and risk management strategy of the Company. The objective of the hedges is to minimize the volatility of the ₹ cash flows of highly probable forecast transactions.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

The Company's risk management policy is to hedge around 50% to 100% for first year and balance up to 70% of the net exposure with forward exchange contracts. The remaining exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short term requirements. Hedging decisions are based on rolling forex cash flow statement prepared and reviewed on a monthly basis. Such contracts are designated as cash flow hedges.

The foreign exchange forward contracts are denominated in the same currency as the highly probable future sales transaction; therefore, the hedge ratio is 1:1. The Company's hedge policy allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective assessments to ensure that an economic relationship exists between the hedged item and the hedged instrument. The Company enters into hedge instruments where the critical terms of hedging instrument are aligned with terms of the hedged item.

Ineffectiveness is recognised on a cash flow hedge where the cumulative change in the value of the hedging instruments exceeds on an absolute basis the change in the value of the hedged item attributable to the hedged risk. Hedge ineffectiveness may arise due to the following:

- the critical terms of the hedging instrument and the hedged item differ (i.e. nominal amounts, timing of the forecast transaction, interest resets change from what was originally estimated), or

- differences arise between the credit risk inherent within the hedged item and the hedging instrument.

Foreign currency risk exposure -

The currency profile of financial assets and financial liabilities as at March 31, 2023 and March 31, 2022 expressed in Indian Rupees (₹) are as below:

Particulars	March 31, 2023				
	USD	EURO	JPY	GBP	CHF
Financial assets					
Cash and cash equivalents (EEFC Account)	2,949	-	-	-	-
Trade receivables	4,368	47	9	-	-
	7,317	**47**	**9**	**-**	**-**
Financial liabilities					
Borrowings	-	-	-	-	-
Trade payables	3,321	31	9	3	0
	3,321	**31**	**9**	**3**	**0**

Particulars	March 31, 2022				
	USD	EURO	JPY	GBP	CHF
Financial assets					
Cash and cash equivalents (EEFC Account)	754	-	-	-	-
Trade receivables	4,996	54	9	-	-
	5,750	**54**	**9**	**-**	**-**
Financial liabilities					
Borrowings (Term Loan)	2,669	-	-	-	-
Trade payables	3,713	65	13	0	-
	6,382	**65**	**13**	**0**	**-**

The following significant exchange rates have been applied during the year.

	Year-end spot rate (₹)	
	March 31, 2023	March 31, 2022
USD	82.17	75.79
EUR	89.44	84.22
JPY (100)	61.6	62.15
GBP	101.65	99.46
CHF	89.58	82.03
AUD	55.03	56.74

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

Sensitivity analysis

A reasonably possible strengthening (weakening) of the foreign currency at March 31 would have affected the measurement of financial instruments denominated in foreign currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, interest rates, remain constant and ignores any impact of forecast sales and purchases. Impact of hedging, if any has not been considered here. A 5% increase or decrease is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign currency rate.

	Profit or loss, net of tax		Impact on other components of equity, net of tax	
Effect in ₹	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
March 31, 2023				
5% movement				
USD	(130)	130	-	-
EUR	(1)	1	-	-
JPY	0	0	-	-
TOTAL	**(131)**	**131**	-	-

	Profit or loss, net of tax		Impact on other components of equity, net of tax	
Effect in ₹	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
March 31, 2022				
5% movement				
USD	(21)	(21)	-	-
EUR	(0)	0	-	-
JPY	(0)	0	-	-
TOTAL	**(21)**	**(21)**	-	-

Interest rate risk

The Company's main interest rate risk arises from long term foreign currency and working capital borrowings at variable rates. Company's investments are primarily in fixed deposits which are short term in nature and do not expose it to interest rate risk. The Company regularly evaluates the interest rate hedging requirement to align with interest rate views and defined risk appetite, in order to ensure most cost-effective interest rate risk management.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows:

	March 31, 2023	March 31, 2022
Fixed-rate instruments		
Financial assets	18,883	13,204
Financial Liabilities	-	-
Variable-rate instruments		
Financial liabilities	-	2,669
TOTAL	**18,883**	**15,873**

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 bp in interest rates would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, foreign currency exchange rates, remain constant.

	Profit or loss		Impact on other components of equity, net of tax	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
March 31, 2023				
Variable-rate instruments	-	-	-	-
Cash flow sensitivity (net)	-	-	-	-
March 31, 2022				
Variable-rate instruments	8.68	(8.68)	-	-
Cash flow sensitivity (net)	**8.68**	**(8.68)**	-	-

IV. Price risk

The Company's exposure to price risk arises from investment in mutual funds and classified in the balance sheet as fair value through profit and loss. Mutual fund investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. However, due to very short tenor of the underlying portfolio in the liquid schemes, these do not pose any significant price risk. Company reviews these mutual fund investments based on safety, liquidity and yield on regular basis.

V. Impact of Hedging activities

(a). Disclosure of hedge accounting on financial position

Type of hedge and risk	March 31, 2023					
	No. of outstanding contracts	Nominal Value (₹)	Carrying value of hedging instrument * (₹)	Maturity date	Hedge ratio	Weighted average strike price/rate
Foreign exchange forward contracts	183	30,184	(92)	April 2023 to - June 2026	1:1	US$1: ₹85.03

Type of hedge and risk	March 31, 2022					
	No. of outstanding contracts	Nominal Value (₹)	Carrying value of hedging instrument * (₹)	Maturity date	Hedge ratio	Weighted average strike price/rate
Foreign exchange forward contracts	**166**	**23,385**	**589**	April 2022 to - March 2025	1:1	US$1: ₹81.48

Refer Note No. 7(g) and 14 (c)

(b). Disclosure of effects of hedge accounting on financial performance

Type of hedge	March 31, 2023			
	Change in value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit and loss account	Amount reclassified from cash flow hedging reserve to profit and (loss)	Line item affected in statement of profit and loss account because of this reclassification
Foreign exchange forward contracts	(736)	-	(100)	Revenue

Type of hedge	March 31, 2022			
	Change in value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit and loss account	Amount reclassified from cash flow hedging reserve to profit and (loss)	Line item affected in statement of profit and loss account because of this reclassification
Foreign exchange forward contracts	(294)	-	(418)	Revenue

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

(c). Movement in the cash flow hedge reserve

Effective portion of Cash flow Hedges	Amount
As at April 01, 2021	**275**
Add: Effective portion of gains/(losses) on cash flow hedges	(294)
Less: Amount reclassified to profit and loss account	(418)
Less: Deferred tax relating to above	43
As at March 31, 2022	**356**
Add: Effective portion of gains/(losses) on cash flow hedges	(736)
Less: Amount reclassified to profit and loss account	(100)
Less: Deferred tax relating to above	(222)
As at March 31, 2023	**(58)**
No change.	

(d). Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollars at March 31 would have affected the measurement of foreign forward exchange contract designated as cash flow hedges and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. A 5% increase or decrease is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign currency rate.

	Profit or loss, net of tax		Impact on other components of equity, net of tax	
Effect in ₹	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
March 31, 2023				
5% movement				
USD	-	-	982	(982)
March 31, 2022				
5% movement				
USD	**-**	**-**	**761**	**(761)**

39 CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The primary objective of the Company's Capital management is to maximise shareholder's value. The Company manages its capital and makes adjustment to it in light of the changes in economic and market conditions.

The Company manages capital using gearing ratio, which is total debt divided by total equity. The gearing ratio at the end of the reporting period was as follows:

		As at March 31, 2023	As at March 31, 2022
Borrowings (Non-current)		-	1,699
Borrowings (Current)		-	979
Total Debt	A	-	2,678
Total Equity	B	70,968	60,387
Debt to Equity ratio	A/B	NA	0.04

No changes were made in the objectives, policies or processes for managing capital of the Company during the current and previous year.

Also, refer note 13(B) relating to details on dividend declared and distributed and note 14(a)(c) for details of applicable loan covenants.

40 ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged as security for borrowings are:

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
Property, plant and equipment		
First charge	-	4,552
Second charge	10,419	9,938
Floating charge on Other Assets	54,105	47,048
TOTAL	**64,524**	**61,538**

41. Additional regulatory information required by Schedule III of Companies Act, 2013

(i) Transactions with Struck off companies:-

As on March 31, 2023					
Name of the struck off company	**Nature of transactions with struck off company**	**Balance outstanding as at current period**	**Relationship with the struck off company if any, to be disclosed**	**Balance outstanding as at Previous period**	**Relationship with the struck off company if any, to be disclosed**
MILLENNIUM PROPERTIES PVT LIMITED (CIN: U70100MH2000PTC124972)	Shareholder	-	Not Applicable	-	Not Applicable

As on March 31, 2022					
Name of the struck off company	**Nature of transactions with struck off company**	**Balance outstanding as at current period**	**Relationship with the struck off company if any, to be disclosed**	**Balance outstanding as at Previous period**	**Relationship with the struck off company if any, to be disclosed**
United Pesticides Limited (CIN: U24219DL1996PLC076825)	Payable	-	Not Applicable	0	Not Applicable
H&L Gases Private Limited (CIN:U29220GJ2008PTC053999)	Receivable	-	Not Applicable	0	Not Applicable
Wahid Sandhar Sugar (Phagwara) Limited (CIN: U15310PB2011PLC034823)	Payable	-	Not Applicable	0	Not Applicable
Ruchin Power Systems Private Limited (CIN:U74140HR2015PTC056136)	Receivable	-	Not Applicable	-	Not Applicable
Unicom Marketing Solutions Private Limited (CIN:U74999DL2012PTC231176)	Receivable	-	Not Applicable	1	Not Applicable
Arihant Capital market Limited (CIN: U67120WB1992PLC054970)	Shareholder	75*	Not Applicable	75*	Not Applicable
(CIN: U67120WB1992PLC054970)					
Good team Investment and Trading Co Private Limited (CIN: U65993WB1981PTC033707	Shareholder	3*	Not Applicable	-*	Not Applicable

*In case of Shareholders, numbers shown above represents no. of shares of face value of Rs. 1 each held.

The Company has entered into above mentioned transactions in ordinary course of business and the Company does not have any relationship with these struck off Companies.

(i) **Details of Benami property:** No proceedings have been initiated or are pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

(ii) **Utilisation of borrowed funds and share premium:** The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(iii) **Compliance with number of layers of companies:** The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(iv) **Compliance with approved scheme(s) of arrangements:** The Company has entered into a scheme of arrangement which has been accounted for in accordance with the Scheme and applicable accounting standards

(v) **Undisclosed income:** There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(vi) **Details of crypto currency or virtual currency:** The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(vii) **Valuation of PP&E, intangible asset and investment property:** The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(viii) As at March 31, 2023 , the Company has not granted any loans or advances in the nature of Loans to the promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person which are repayable on demand or without specifying any terms or period of repayment (March 31, 2022: Nil). During the year, the Company had granted Loan of INR 690 million to PI Health Sciences Limited at an interest rate of 9.5%, the entire amount of principal is repayable over the period of 10 years and interest is to be serviced on annual basis. (Also, refer note 35).

(ix) The Company has not been declared as a Wilful Defaulter by any bank or financial institution or government or any government authority.

42. The Company has raised Rs. 20,000 million during the quarter ended 30th September 2020 through Qualified Institutional Placement (QIP) of equity shares. Out of the funds received of Rs.19,750 million (net of expense Rs 250 million), the Company had invested Rs. 865 million during the FY 22-23, in one of its subsidiary PI Health Sciences Limited to commence its business operations. Balance funds of Rs. 18,885 million received pursuant to QIP remain invested in fixed deposits, liquid and other debt mutual funds (also refer note 45).

43. The goodwill on Isagro and Investment in Jivagro are tested for impairment annually. The recoverable amount of Goodwill and Investment has been determined from a value in use calculation which require the use of assumptions. The value in use calculation uses cash flow forecasts based on the most recently approved financial budgets and business projections by the management, which cover a period of five years. Key assumptions underlying the value in use calculation are those regarding expected revenues, a post-tax discount rate of 17% per annum. Sales growth projections considers managements' expectation of market development, current industry trends and post-tax discount rate based on the relevant risks. 4% growth rate has been used to extrapolate the cash flow projections beyond the five-year period of the approved financial budgets. The management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the cash generating unit.

44. FINAL DIVIDEND RECOMMENDED BY BOARD

The Board of Directors in the meeting held on May 18, 2023 have recommended a final dividend for the year ended March 31, 2023 which is subject to the approval of shareholders in the ensuing annual general meeting.

45. EVENTS SUBSEQUENT TO BALANCE SHEET DATE

a) PI Health Sciences Netherlands BV was incorporated on 7th April 2023 as a wholly owned subsidiary of PI Health sciences Limited and PI Health Sciences USA LLC was incorporated on 24th April 2023 as a wholly owned subsidiary of PI Health sciences Netherlands BV.

b) PI Health Sciences Ltd has entered into a share purchase agreement dated 27th April 2023 for the acquisition of 100% shareholding of "Therachem Research Medilab (India) Private Limited" and "Solis Pharmachem Private Limited". Further, PI Health Sciences USA, LLC has entered into an asset purchase agreement dated 27th April 2023 for the acquisition of certain identified assets of Therachem Research Medilab LLC, USA. These agreements are subject to satisfactory completion of conditions precedents as set out in the respective agreement.

c) PI Health Sciences Netherlands BV has entered into a share purchase agreement dated 26th April 2023 for the acquisition of 100% shareholding of "Archimica SPA, Italy". With this, Archimica SPA has become a 'Step down subsidiary' of the Company w.e.f. 27th April 2023.

There is no impact of these transactions on the financial statements as at March 31, 2023.

These are the notes to the financial statements referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Reg. No. 012754N/N500016

Sd/-
Sougata Mukherjee
Partner
Membership Number 057084

For and on behalf of the Board of Directors

Sd/-
Mayank Singhal
Vice Chairman & Managing Director
DIN: 00006651

Sd/-
Rajnish Sarna
Joint Managing Director
DIN: 06429468

Sd/-
Manikantan Viswanathan
Chief Financial Officer

Sd/-
Sonal Tiwari
Company Secretary

Place: Gurugram
Date: May 18, 2023

Independent Auditor's Report

To the Members of PI Industries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of PI Industries Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), controlled trust, its associate company and joint venture entity (refer Note 3(t) to the attached consolidated financial statements), which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income) , the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, controlled trust, its associate company and joint venture entity as at March 31, 2023, consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group, controlled trust, its associate company and joint venture entity in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 14 of the Other Matters section below, other than the unaudited financial statements/ financial information as certified by the management and referred to in sub-paragraph 15 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Assessment of impairment of Goodwill arising from acquisition of subsidiaries in earlier years. **(Refer to note 5 in the Consolidated financial statements)** **The carrying value of Goodwill as on March 31, 2023 is INR 828 Million.** The Group has performed an impairment assessment of the carrying value of Goodwill as on the balance sheet date by estimating the recoverable value of the related CGU using the discounted cash flow model with the involvement of a valuation expert engaged by the management. Based on its assessment, the management has concluded that no provision for impairment was necessary as at March 31, 2023. We have considered this to be a key audit matter as the carrying value of goodwill is significant to the consolidated financial statements and the assessment of recoverable value using discounted cash flow forecast required significant management judgement in respect of certain key inputs like determining on appropriate discount rate, future cash flows and terminal growth rate.	**Our audit procedures included the following:** • Understanding the design and testing the operating effectiveness of controls around assessment of impairment to the carrying value of Goodwill. • Evaluated the Group's accounting policy in respect of impairment assessment of goodwill and assessed whether the Group's determination of CGU was consistent with our knowledge of its operations. • Reading minutes of the meetings of the Board of Directors / Audit Committee and verifying compliances with the relevant provision of the Companies Act 2013. • Evaluating the independence, competence, capabilities and objectivity of the valuation expert engaged by the management; • Reading the report prepared by the external valuation expert engaged by the management and understanding and evaluating, the projections thereon by testing key inputs and assumptions made in the value in use calculations and performing sensitivity analysis. • With the involvement of auditor's expert, assessed the key assumptions considered in forecasting the cash flows for assessment of recoverable value of the CGU. • Verifying the adequacy and appropriateness of the disclosures made in the consolidated financial statements. Based on our procedures performed above, the management's assessment of the carrying value of Goodwill is considered appropriate.

Other Information

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements and our auditor's report thereon.

   Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 14 below), we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

6. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including its controlled trust, its associate company and joint venture entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group, controlled trust and of its associate company and joint venture entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group, controlled trust and of its associate company and joint venture entity are responsible for assessing the ability of the Group, controlled trust and of its associate company and joint venture entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

8. The respective Board of Directors of the companies included in the Group, controlled trust and of its associate company and joint venture entity are responsible for overseeing the financial reporting process of the Group, controlled trust and of its associate company and joint venture entity.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group, controlled trust and its associate company and joint venture entity to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group, controlled trust and its associate company and joint venture entity to cease to continue as a going concern.

    - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

    - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, controlled trust and its associate company and joint venture entity to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

11. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

14. We did not audit the financial statements of six subsidiaries, and one controlled trust whose financial statements reflect total assets of Rs. 4,241 Mn and net assets of Rs. 2,732 Mn as at March 31, 2023, total revenue of Rs. 2,924 Mn, total comprehensive income (comprising of profit and other comprehensive income) of Rs. 126 Mn and net cash flows amounting to Rs. 220 Mn for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of total comprehensive income (comprising of profit and other comprehensive income) of Rs. 16 Mn and Rs. 52 Mn for the year ended March 31, 2023 as considered in the consolidated financial statements, in respect of one associate company and one joint venture entity respectively, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, controlled trust, joint venture entity and associate company and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries, joint ventures and associate companies, is based solely on the reports of the other auditors.

15. We did not audit the financial statements one subsidiary whose financial statements reflect total assets of Rs 39 Mn and net assets of Rs 25 Mn as at March 31, 2023, total revenue of Rs. 55 Mn, total comprehensive income (comprising of profit and other comprehensive income) of Rs 2 Mn and net cash flows amounting to Rs (1) Mn for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiary is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

    Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

16. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B, a statement on the matter specified in paragraph 3(xxi) of CARO 2020.

    In our opinion, and according to the information and explanations given to us, CARO 2020 is not applicable to one subsidiary company and controlled trust included in these Consolidated Financial Statements, hence, this report does not contain a statement on the matter specified in paragraph 3(xxi) of CARO 2020 in relation to that subsidiary company and controlled trust.

17. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

    (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate company and joint venture entity incorporated in India, none of the directors of the Group companies, its associate company and joint venture entity incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group, controlled trust, its associate company and joint venture entity – Refer Note 16 and 33 to the consolidated financial statements.

ii. The Group, controlled trust, its associate companies and joint venture entity had long-term contracts including derivative contracts as at March 31, 2023 for which there were no material foreseeable losses.

iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, controlled trust, associate company and joint venture entity incorporated in India during the year.

iv. (a) The respective Managements of the Company and its subsidiaries, its associate company and joint venture entity which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, its associate company and joint venture entity respectively that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries, its associate company and joint venture entity to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries, its associate company and joint venture entity ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 42 (iii) to the consolidated financial statements);

(b) The respective Managements of the Company and its subsidiaries, its associate company and joint venture entity which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, its associate company and joint venture entity respectively that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries, its associate company and joint venture entity from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries, its associate company and joint venture entity shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 42 (iii) to the consolidated financial statements);

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiaries, its associate company and joint venture entity which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. The dividend declared and paid during the year by the Holding Company, is in compliance with Section 123 of the Act. The subsidiary companies, controlled trust, its associate company and joint venture entity, has not declared or paid any dividend during the year.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Group, its associate company and joint venture entity, is applicable to the Group, its associate company and joint venture entity only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

18. The Holding Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act and for six subsidiaries and one associate based on the report of their respective statutory auditors, no managerial remuneration has been paid. Further, reporting under section 197(16) of the Act is not applicable to one subsidiary, controlled trust, and one joint venture as per the reports of their respective statutory auditors and to one subsidiary incorporated outside India.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Sd/-
Sougata Mukherjee
Partner
Membership Number: 057084
UDIN: 23057084BGYFRL3302

Date: May 18, 2023
Place: Gurugram

Annexure A to Independent Auditor's Report

Referred to in paragraph 17(f) of the Independent Auditor's Report of even date to the members of PI Industries Limited on the consolidated financial statements for the year ended March 31, 2023

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to financial statements of PI industries Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies and a joint venture entity, which are companies incorporated in India, as of that date. Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is not applicable to an associate Company incorporated in India namely Solinnos Agro Science Private Limited pursuant to MCA notification GSR 583(E) dated 13 June 2017 and one subsidiary incorporated outside India namely PI Japan Co. Limited and a controlled trust.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies and a joint venture entity, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on Internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company, its subsidiary companies and a Joint venture entity, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to six subsidiary companies and one joint venture entity, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of this matter

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Sd/-
Sougata Mukherjee
Partner
Membership Number: 057084

Date: May 18, 2023
Place: Gurugram

Inspired by Science

Annexure B to Independent Auditors' Report

Referred to in paragraph 16 of the Independent Auditors' Report of even date to the members of PI Industries Limited on the consolidated financial statements as of and for the year ended March 31, 2023

As required by paragraph 3(xxi) of the CARO 2020, we report that the auditors of the following Companies have given qualification or adverse remarks in their CARO report on the standalone financial statements of the respective companies in the Consolidated Financial Statements of the Holding Company.

1. Cash loss reported by Subsidiaries

S. No.	Name of the Company	CIN	Relationship with the Holding Company	Paragraph Number and comment in their respective CARO report reproduced below
1	PI BioFerma Private Limited (Formerly known as PI Enzachem Private Limited)	U24290RJ2020PTC070948	Subsidiary	The Company has incurred cash losses amounting to INR 0.09 million in the current financial year and INR 0.10 million in the preceding financial year respectively.
2	PI FERMACHEM Private Limited	U24233RJ2020PTC070968	Subsidiary	The Company has incurred cash losses amounting to INR 0.09 million in the current financial year and INR 0.10 million in the preceding financial year respectively.
3	PI Health Sciences Limited	U24290RJ2021PLC076803	Subsidiary	The Company has incurred cash losses amounting to INR 120.47 million in the current financial year and INR 0.85 million in the preceding financial year.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Sd/-
Sougata Mukherjee
Partner
Membership Number: 057084

Date: May 18, 2023
Place: Gurugram

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2023

(All amounts in ₹ million, unless otherwise stated)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	4	24,944	23,330
Capital work-in-progress	4	625	638
Goodwill	5	828	828
Other intangible assets	5	283	367
Intangible asset under development	6	699	507
Investments accounted for using the equity method	9	258	190
Financial assets			
(i) Investments	7(a)	55	258
(ii) Other financial assets	7(g)	245	1,894
Current tax assets	11	49	135
Other non-current assets	10	188	125
Total non-current assets		**28,174**	**28,272**
Current assets			
Inventories	8	13,976	14,234
Financial assets			
(i) Investments	7(b)	9,843	8,547
(ii) Trade receivables	7(d)	7,720	8,687
(iii) Cash and cash equivalents	7(e)	8,727	3,506
(iv) Bank balances other than (iii) above	7(f)	13,702	10,596
(v) Loans	7(c)	83	30
(vi) Other financial assets	7(g)	21	452
Contract assets	7(h)	661	1,331
Other current assets	10	1,890	2,256
Total current assets		**56,623**	**49,639**
Total assets		**84,797**	**77,911**
EQUITY & LIABILITIES			
Equity			
Equity share capital	12	152	152
Other equity	13	71,833	61,052
Total equity		**71,985**	**61,204**
Liabilities			
Non current liabilities			
Financial liabilities			
(i) Borrowings	15(a)	-	1,699
(ii) Lease Liabilities	15(d)	324	281
(ii) Other financial liabilities	15(c)	354	290
Provisions	16	103	80
Deferred tax liabilities (Net)	17	213	875
Total non current liabilities		**994**	**3,225**
Current Liabilities			
Financial liabilities			
(i) Borrowings	15(a)	-	979
(ii) Lease Liabilities	15(d)	141	204
(iii) Trade payables	15(b)		
a) total outstanding dues of micro enterprises and small enterprises		804	260
b) total outstanding dues of creditors other than micro enterprises and small enterprises		7,576	8,982
(iv) Other financial liabilities	15(c)	2,230	1,988
Provisions	16	278	277
Current tax liabilities	19	54	94
Other current liabilities	18	735	698
Total current liabilities		**11,818**	**13,482**
Total liabilities		**12,812**	**16,707**
Total equity and liabilities		**84,797**	**77,911**

Notes to accounts: **1 to 45**

The accompanying notes referred to above formed the integral part of the financial statement

This is the Consolidated Balance Sheet referred to our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Reg. No. 012754N/N500016

For and on behalf of the Board of Directors

Sd/-
Sougata Mukherjee
Partner
Membership Number 057084

Sd/-
Mayank Singhal
Vice Chairman & Managing Director
DIN: 00006651

Sd/-
Rajnish Sarna
Joint Managing Director
DIN: 06429468

Sd/-
Manikantan Viswanathan
Chief Financial Officer

Sd/-
Sonal Tiwari
Company Secretary

Place: Gurugram
Date: May 18, 2023

Inspired by Science

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ million, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from operations	20	64,920	52,995
Other income	21A	1,590	1,014
Total income		**66,510**	**54,009**
Expenses:			
Cost of materials consumed		34,343	29,508
Purchase of stock in trade		1,881	1,739
Changes in inventories of finished goods, work in progress and stock in trade	21B	(697)	(2,019)
Employee benefit expense	22	5,266	4,804
Finance cost	26	371	128
Depreciation and amortisation expense	25	2,265	2,018
Other expense	23	8,706	7,539
Total expenses		**52,135**	**43,717**
Share of profit and (loss) of associates & joint venture accounted for using the equity method	9	68	36
Profit before tax		**14,443**	**10,328**
Income tax expense	27		
Current tax		(2,592)	(1,847)
Deferred tax		502	60
Income tax of earlier years		(58)	(103)
Total tax expense		(2,148)	(1,890)
Profit for the year		**12,295**	**8,438**
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
Remeasurements gains/(losses) on defined benefit plans		44	4
Income tax relating to the above item		(14)	(2)
(ii) Items that will be reclassified to profit or loss			
Effective portion of gains/(losses) on cash flow hedges		(636)	124
Income tax relating to the above item		222	(43)
Exchange difference on translation of foreign operations		0	(1)
Total comprehensive income for the year		**11,911**	**8,520**
Earnings per equity share	**29**		
1) Basic (in ₹)		81.06	55.65
2) Diluted (in ₹)		81.04	55.63
Face value per share (in ₹)		**1.00**	**1.00**

Notes to accounts: **1 to 45**

The accompanying notes referred to above formed the integral part of the financial statement

This is the Consolidated Statement of Profit and Loss referred to our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Reg. No. 012754N/N500016

Sd/-
Sougata Mukherjee
Partner
Membership Number 057084

For and on behalf of the Board of Directors

Sd/-
Mayank Singhal
Vice Chairman & Managing Director
DIN: 00006651

Sd/-
Rajnish Sarna
Joint Managing Director
DIN: 06429468

Sd/-
Manikantan Viswanathan
Chief Financial Officer

Sd/-
Sonal Tiwari
Company Secretary

Place: Gurugram
Date: May 18, 2023

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ million, unless otherwise stated)

a. Equity share capital

		As at March 31, 2023		As at March 31, 2022	
Particulars	**Note**	**No. of Shares**	**Amount**	**No. of Shares**	**Amount**
Balance at the beginning of the reporting period	12	15,17,18,118	152	15,17,18,118	152
Changes in equity share capital during the period		-	-	-	-
Balance at the end of the reporting period		**15,17,18,118**	**152**	**15,17,18,118**	**152**

b. Other equity

		Reserves & Surplus							Other Reserves		
Particulars	**Note**	**Capital reserve**	**Capital Redemption reserve**	**Securities premium reserve**	**SEZ Reinvestment reserve**	**General reserve**	**Own shares held by Trust under ESOP scheme**	**Retained earnings**	**Effective portion of cash flow hedges**	**Foreign Currency Translation Reserve**	**Total other equity**
Balance at April 1, 2021		15	4	21,999	-	1,857	(51)	29,171	274	3	53,272
Profit for the year		-	-	-	-	-	-	8,438	-	-	8,438
Other comprehensive income	13 i, h	-	-	-	-	-	-	2	81	(1)	82
Total comprehensive income for the year		-	-	-	-	-	-	8,440	81	(1)	8,520
Transactions with owners in their capacity as owners:											
Premium on issue of equity shares through ESOP	13 c.	-	-	-		-	-	-	-	-	-
Premium on issue of Qualified Institutional Placement (QIP) (net of expenses)	13 c.			-							-
Own shares held by ESOP Trust	13 g.		-	-		-	(0)	-	-	-	(0)
Shares issued under ESOP scheme	13 g.	-		-	-	-	18	-	-		18
Dividends paid	14	-	-	-	-	-	-	(758)	-	-	(758)
Balance at March 31, 2022		15	4	21,999	-	1,857	(33)	36,853	355	2	61,052
Profit for the year		-	-	-	-	-	-	12,295	-	-	12,295
Other Comprehensive Income	13 i, h	-	-	-	-	-	-	30	(414)	0	(384)
Total comprehensive income for the year		-	-	-	-	-	-	12,325	(414)	0	11,911
Transactions with owners in their capacity as owners:											
Premium on issue of Equity Shares through ESOP	13 c.	-	-	-		-	-	-	-	-	-
Premium on issue of Qualified Institutional Placement (QIP) (net of expenses)	13 c.	-	-	-		-	-	-	-	-	-
Own shares held by ESOP Trust	13 g.	-	-	-		-	-	-	-	-	-
Shares issued under ESOP scheme	13 g.	-	-	-	-	-	7	-	-	-	7
Transfer from retained earning	13 d.				968	-	-	-	-	-	968
Transfer to SEZ Re investment reserve	13 d.	-		-		-	-	(968)	-	-	(968)
Dividends paid	14	-	-	-		-	-	(1,137)	-	-	(1,137)
Balance at March 31, 2023		15	4	21,999	968	1,857	(26)	47,073	(59)	2	71,833

This is the Consolidated Statement of Changes in Equity referred to our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Reg. No. 012754N/N500016

For and on behalf of the Board of Directors

Sd/-
Sougata Mukherjee
Partner
Membership Number 057084

Sd/-
Mayank Singhal
Vice Chairman & Managing Director
DIN: 00006651

Sd/-
Rajnish Sarna
Joint Managing Director
DIN: 06429468

Sd/-
Manikantan Viswanathan
Chief Financial Officer

Sd/-
Sonal Tiwari
Company Secretary

Place: Gurugram
Date: May 18, 2023

CONSOLIDATED STATEMENT OF CASHFLOW FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ million, unless otherwise stated)

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before income tax	**14,443**	**10,328**
Adjustments for :-		
Depreciation and amortisation expense	2,265	2,018
Finance costs	371	128
Provision for bad and doubtful debts & advances	129	225
Interest income on financial assets at amortised cost	(848)	(665)
Unwinding of discount on security deposits	(0)	(6)
(Gain)/Loss on sale/retirement of property, plant & equipment (net)	1	0
(Gain)/Loss on sale of investments (net)	(68)	(0)
(Gain)/Loss on financial assets measured at fair value through profit or loss (net)	(354)	(277)
Share of (profit)/loss of associate and joint venture	(68)	(36)
Unrealised (Gain)/Loss on foreign currency transactions (net)	(349)	599
Operating profit before working capital changes	**15,522**	**12,314**
(Increase) / Decrease in trade receivables	1,100	(2,302)
(Increase) / Decrease in current financial assets - loans	(59)	35
(Increase) / Decrease in current contract assets	669	152
(Increase) / Decrease in other current financial assets	79	19
(Increase) / Decrease in other non-current financial assets	(36)	106
(Increase) / Decrease in other current assets	364	(175)
(Increase) / Decrease in other non-current assets	(0)	15
(Increase) / Decrease in other bank balances	44	27
(Increase)/Decrease in inventories	257	(3,705)
Increase / (Decrease) in current provisions	(600)	1,350
Increase / (Decrease) in trade payables	1	(175)
Increase / (Decrease) in non-current provisions	24	(16)
Increase / (Decrease) in other current financial liabilities	108	(625)
Increase / (Decrease) in other non-current financial liabilities	63	11
Increase / (Decrease) in other current liabilities	36	7
Cash generated from operations before tax	**17,572**	**7,038**
Income taxes paid (Includes TDS)	(2,558)	(1,751)
Net cash inflow / (outflow) from operating activities	**15,014**	**5,287**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payments for purchase of property, plant & equipment including capital work in progress, intangible assets, intangible assets under development and capital advances	(3,263)	(3,371)
Proceeds from sale of property, plant & equipment	38	9
Consideration paid for acquisition of subsidiary, net of cash acquired	-	(0)
Purchase of current investments	(2,100)	-
Sale of current investments	1,159	39
Investment / Redemption in fixed deposits with remaining maturity of more than 12 months (net)	1,410	(1,483)

CONSOLIDATED STATEMENT OF CASHFLOW FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ million, unless otherwise stated)

PARTICULARS	For the year ended March 31, 2023	For the year ended March 31, 2022
Investment / Redemption in fixed deposit having more than 3 months of original maturity and less than 12 months of remaining maturity (net)	(3,054)	3,037
Interest received	848	665
Net cash used in investing activities	**(4,962)**	**(1,104)**
Net cash inflow / (outflow) from operating and investing activities	**10,052**	**4,183**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Borrowings- repayments	(2,669)	(720)
Principal elements of lease payments	(683)	(210)
Interest paid	(342)	(85)
Dividends paid (including TDS)	(1,137)	(758)
Net Cash inflow / (outflow) from financing activities	**(4,831)**	**(1,773)**
Net Cash inflow / (outflow) from Operating, Investing & financing activities	**5,221**	**2,410**
Effect of exchange differences on translation of foreign currency Cash & cash equivalents	-	-
Net increase (decrease) in cash & cash equivalents	**5,221**	**2,410**
Opening balance of cash & cash equivalents	**3,506**	**1,096**
Closing balance of cash & cash equivalents	**8,727**	**3,506**
Note: Cash and cash equivalents included in the Cash Flow Statement comprise of the following :		
i) Cash on Hand	**1**	**0**
ii) Balance with Banks :		
-In Current Accounts	3,771	1,410
-In Fixed Deposits with original maturity less than 3 months	4,955	2,096
Total	**8,727**	**3,506**

The above Cash Flows statement has been prepared under the Indirect method as set out in IND AS - 7.

Figures in brackets indicate cash outflows.

This is the Consolidated Statement of Cash Flows referred to our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Reg. No. 012754N/N500016

For and on behalf of the Board of Directors

Sd/-
Sougata Mukherjee
Partner
Membership Number 057084

Sd/-
Mayank Singhal
Vice Chairman & Managing Director
DIN: 00006651

Sd/-
Rajnish Sarna
Joint Managing Director
DIN: 06429468

Sd/-
Manikantan Viswanathan
Chief Financial Officer

Sd/-
Sonal Tiwari
Company Secretary

Place: Gurugram
Date: May 18, 2023

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

1. Corporate Information

PI Industries Limited ("PI" or "the Company") is a public limited company domiciled in India and has its registered office at Udaipur. The shares of the group are listed on National Stock Exchange and Bombay Stock Exchange.

PI is in the field of Agri Sciences having strong presence in both Domestic and Export market. It has three manufacturing facilities in Gujarat and a Research & Development center at Udaipur.

The registered office of the group is situated at Udaisagar Road, Udaipur – 313001, Rajasthan, India and the corporate office is situated at 5th Floor, Vipul Square, B-Block, Sushant Lok, Phase-I, Gurugram – 122009, Haryana, India.

2. Basis of preparation

The group has consistently applied the following accounting policies to all periods presented in the consolidated financial statements unless otherwise stated.

a) Statement of compliance

These financial statements have been prepared in all material aspects, in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('the Act') and other relevant provisions of the Act to the extent applicable These financial statements were authorised for issue by the Board of Directors on May 18, 2023.

b) Basis of measurement

The financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following:

- Certain financial assets and liabilities (including derivative instruments) and contingent considerations are measured at fair value;
- Defined benefit plan assets measured at fair value;
- Share-based payments measured at fair value.

c) New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective 1 April 2023.

The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments are not expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the group's accounting policy already complies with the now mandatory treatment.

d) Functional and presentation currency

Items included in the financial statements of the group are measured using the currency of the primary economic environment in which the group operates ("the functional currency"). The financial statements are presented in Indian National Rupee ('₹'), which is the group's functional and presentation currency. All amounts disclosed in the financial statements and notes have been rounded off to the nearest millions as per the requirement of Schedule III, unless otherwise stated. The sign '0' in these standalone financial statements indicates that the amounts involved are below ₹ five lacs and the sign '-' indicates that amounts are nil.

e) Current or Non- current classification

All Assets and Liabilities have been classified as current or non-current as per the group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services provided and time between the rendering of services and their realization in cash and cash equivalents, the group has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

f) Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent liabilities and contingent assets at the date of financial statements, income and expenses during the period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

Application of accounting policies that require critical accounting estimates and assumption judgements having the most significant effect on the amounts recognized in the financial statements are:

(i) Provision for expected credit losses (ECL) on trade receivables including interest and other charges recoverable from customers

The group uses a provision matrix to calculate ECL for trade receivables including interest and other charges recoverable from customers. The ECL provision matrix is based on the group's historical observed default rates. The group adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The amount of ECL is sensitive to changes in circumstances and accordingly Company's actual default in the future may be different. The information about the ECL on the group's trade receivables including interest and other charges recoverable from customers is disclosed in note 7(d), note 7(g) and note 38.

(ii) Recognition of deferred tax

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realisation of deferred tax assets including minimum alternative tax (MAT) is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The group considers expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of deferred tax assets considered realisable, however, could reduce in the near term if estimates of future taxable income during the carry-forward period are reduced.

(iii) Impairment test of non-financial assets (goodwill and intangible assets under development)

The group assesses at each reporting date whether there is an indication that goodwill and intangible assets under development may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's CGU'S fair value less cost of disposal and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are estimated based on past trend and discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other fair value indicators.

3. Significant Accounting Policies

a) Property, plant and equipment

i) Recognition and measurement

Freehold land is carried at historical cost. All other items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any. Historical cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Borrowing costs relating to acquisition of qualifying fixed assets, if material, are also included in cost to the extent they relate to the period till such assets are ready to be put to use.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. The cost of replacing part of an item of property, plant and equipment or major inspections performed, are recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the group and its cost can be measured reliably. The costs of all other repairs and maintenance are recognized in the Statement of Profit & Loss as incurred.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

An item of property, plant and equipment is derecognised when no future economic benefit are expected to arise from the continued use of the asset or upon disposal. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii) Transition to Ind AS

On transition to Ind AS, the group has elected to continue with the carrying value of all its property, plant and equipment recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

iii) Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values, and is recognised in the statement of profit and loss. Depreciation on property, plant and equipment is provided on the Straight-Line Method based on the useful life of assets estimated by the Management which coincide with the life specified under Schedule II of the Companies Act, 2013, which are as follows:

Buildings including factory buildings and Roads	3 - 60 years
Plant and machinery	15 years
Electrical installations and equipment	10 years
Furniture and fixtures	10 years
Office equipment's	5 years
Vehicles	8 - 10 years
Computer and Data Processing Units	3 - 6 years
Laboratory equipment	10 years

The group has estimated the useful lives different from the lives prescribed in schedule II of Companies

Act, 2013, in the following cases:

Plant and machinery (Continuous Process Plant)	15 years
Special Plant and machinery (used in manufacture of chemicals)	15 years

Leasehold land is being amortised over the lease period and Cost of improvement on leasehold building is being amortised over the lease period or useful life whichever is lower, unless the entity expects to use the assets beyond the lease term.

Based on assessment made by technical experts, the Management believes that the useful lives as given above best represent the period over which it expects to use these assets.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and changes, if any, are accounted for prospectively. Depreciation on additions to or on disposal of assets is calculated on pro-rata basis i.e. from (up to) the date on which the property, plant and equipment is available for use (disposed of).

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit & Loss either in other income or other expenses.

b) Intangible assets

i) Recognition and measurement

Goodwill

Goodwill on acquisitions is shown separately under Non-current assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

Intangible assets acquired separately

Intangible assets that are acquired by the group are measured at cost, less accumulated amortization and accumulated impairment losses, if any.

Internally generated intangible assets - Research and development

Research costs are expensed as incurred. Development costs are capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditures to be capitalized include the cost of materials and other costs directly attributable to preparing the asset for its intended use. Other development expenditures are recognized in profit or loss as incurred.

Subsequent to initial recognition, the assets are measured at cost, less accumulated amortisation and accumulated impairment losses, if any.

Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate.

Internally generated Intangible assets which are not yet available for use are subject to impairment testing at each reporting date. All other intangible assets are tested for impairment when there are indications that the carrying value may not be recoverable. All impairment losses are recognized immediately in profit or loss.

An item of intangible asset is derecognised when no future economic benefit are expected to arise from the continued use of the asset or upon disposal. Any gain or loss on disposal of an item of intangible assets is recognised in profit or loss.

ii) Transition to Ind AS

On transition to Ind AS, the group has elected to continue with the carrying value of all its Intangible assets recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of such intangible assets.

iii) Amortisation

Amortization is recognized in the income statement on a straight-line basis over the estimated useful lives of intangible assets or on any other basis that reflects the pattern in which the asset's future economic benefits are expected to be consumed by the entity. Intangible assets that are not available for use are amortized from the date they are available for use.

The estimated useful lives are as follows:

Software	6 years
Product development	5 years

The amortization period and the amortization method for intangible assets are reviewed at each reporting date.

c) Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

At each reporting date, the group reviews the carrying amounts of its non-financial assets to determine whether there is any indication on impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash flows are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units ('CGUs').

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

In respect of Non-financial assets other than goodwill for which impairment loss has been recognised in prior periods, the group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

d) Financial instruments

i) Initial recognition

The group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables (which do not contain a significant financing component) which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition.

ii) Subsequent measurement

i) Financial assets carried at amortized cost

A financial asset (which includes loans and advances, security deposits, deposits with Banks and Financial institutions, deposits lodged with excise and sales tax department, insurance claim recoverable, cash and cash equivalents, bank balance other than cash and cash equivalents, and trade receivables) is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. When the financial asset is derecognised or impaired, the gain or loss is recognised in the statement of profit and loss.

ii) Financial assets at fair value through other comprehensive income (FVOCI)

A financial asset (which include derivative financial instruments) is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit and loss and recognised in other income.

Equity instruments are subsequently measured at fair value. On initial recognition of an equity investment that is not held for trading, the group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis. Fair value gains and losses recognised in OCI are not reclassified to profit and loss.

iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

iv) Financial liabilities

Financial liabilities (which includes borrowings, trade payables and other financial liabilities (other than derivative financial instruments)) are subsequently carried at amortized cost using the effective interest method.

iii) Impairment of financial assets

The group assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. Except Trade receivables, expected credit losses are measured at an amount equal to the 12-month Expected Credit Loss (ECL), unless there has been a significant increase in credit risk from initial recognition, in which case those are measured at lifetime ECL.

With regard to trade receivable, the group applies the simplified approach (Refer Note No. 38(I)), which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

iv) Derecognition

Financial Assets

The group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the group enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial Liabilities

The group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

v) Reclassification of Financial Assets and Financial Liabilities

The group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. If the group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model.

vi) Derivative financial instruments

The group is exposed to exchange rate risk which arises from its foreign exchange revenues. The group uses foreign exchange forward contracts (derivative financial instruments), to hedge foreign currency risk associated with highly probable forecasted transactions and classifies them as cash flow hedges.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are taken directly to profit and loss.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

At inception of designated hedging relationships, the group documents the risk management objective and strategy for undertaking the hedge. The group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

The group makes an assessment, on an ongoing basis, of whether the hedging instruments are expected to be "highly effective" in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk. For cash flow hedges to be "highly effective", a forecast transaction that is the subject of the hedge must be highly probable and must present an exposure to variations in cash flows that could ultimately affect profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognized in other comprehensive income/ (loss), remains there until the forecast transaction occurs. If the forecast transaction is no longer expected to occur, then the balance in other comprehensive income/ (loss) is recognized immediately in the statement of profit and loss.

vii) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the group has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

e) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using other valuation technique. In estimating the fair value of an asset or a liability, the group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair values for measurement and/ or disclosure purposes are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 - This includes financial instruments measured using quoted prices.

Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

f) Inventories

Inventories (including Stock-in-transit) of Finished Goods, Stock in Trade, Work in progress, Raw materials, packing materials and Stores & Spares are stated at lower of cost and net realizable value. By-products are measured at net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Cost of Raw Materials, Packing Materials, Stores and Spares, Stock in Trade and other products are determined on weighted average basis and are net of Goods and service tax credit.

Cost of Work in progress and Finished Goods is determined on weighted average basis considering direct material cost and appropriate portion of manufacturing overheads based on normal operating capacity.

Obsolete, slow moving and defective inventories are identified as and when required, and where necessary, the same are written off or provision is made for such inventories.

g) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized if, as a result of a past event, the group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic resources will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent Liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities are not recognised but are disclosed in notes to the financial statements.

Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

h) Revenue Recognition

i) Sale of goods

The group manufactures and sells a range of products to various customers. Revenue is recognised over the period of time for contracts wherein the group's performance does not create an asset with alternative use to the group and the entity has an enforceable right to payment for performance completed till date. Management has determined that it is highly probable that there will be no rescission of the contract and a significant reversal in the amount of revenue recognised will not occur. Accordingly, revenue is recognised for these contracts based on Input method wherein amount of revenue to be recognised is determined based on the actual cost incurred till date and the estimated margin on the contract because there is a direct relationship between the Group's effort (i.e., based on the material consumed and labour hours incurred) and the enforceable right to pament for performance completed till date. For remaining contracts, Revenue is recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the group has objective evidence that all criteria for acceptance have been satisfied.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. Revenue recognised in relation to these contracts in excess of billing is recognised as a Contract Asset. Accumulated experience is used to estimate and provide for the discounts and returns using the expected value method and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date. A refund liability (included in other current liabilities) and a right to recover the returned goods (included in other current assets) are recognised for the products expected to be returned.. Liability (included in other financial liabilities) is recognized for expected volume discounts payable to customers in relation to sales made until the end of the reporting period

Amounts disclosed as revenue are net of returns, discounts, volume rebates and net of goods and service tax.

The group does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the group does not adjust any of the transaction prices for the time value of money.

ii) Sale of services

Revenue from sale of services is recognised over the period of time as per the terms of the contract with customers based on the stage of completion when the outcome of the transactions involving rendering of services can be estimated reliably.

iii) Export Incentives

Incentives on exports are recognised in books after due consideration of certainty of utilisation/ receipt of such incentives.

iv) Interest Income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition. Interest income is included in other income in the statement of profit and loss.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

v) Dividends

Dividend income is recognized when the group's right to receive dividend is established, and is included in other income in the statement of profit and loss.

i) Employee Benefits

i) Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii) Defined contribution plans

Employees benefits in the form of the group's contribution to Provident Fund, Pension scheme, Superannuation Fund and Employees State Insurance are defined contribution schemes. The group recognizes contribution payable to these schemes as an expense, when they are due.

If the contribution payable exceeds contribution already paid, the deficit payable is recognised as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the end of the reporting period, the group recognize that excess as an asset (prepayments) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

iii) Defined benefit plans

Retirement benefits in the form of gratuity are considered as defined benefit plans. The group's net obligation in respect of defined benefit plans is calculated by present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

The group provides for its gratuity liability based on actuarial valuation of the gratuity liability as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an actuary. The group contributes to the gratuity fund, which are recognized as plan assets. The defined benefit obligation as reduced by fair value of plan assets is recognized in the Balance Sheet.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

When the calculation results in a potential asset for the group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized in the period in which they occur, directly in other comprehensive income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss under employee benefit expense.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv) Other long-term employee benefits

Employee benefits in the form of long-term compensated absences are considered as long-term employee benefits. The group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re-measurements are recognised in profit or loss in the period in which they arise.

The liability for long term compensated absences are provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an actuary.

j) Foreign currency transactions

Initial recognition

Transactions in foreign currencies are translated into the group's functional currency at the exchange rates at the dates of the transactions.

Conversion

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Exchange difference

Exchange differences are recognised in profit or loss, except exchange differences arising from the translation of the following items which are recognised in OCI

- equity investments at fair value through OCI (FVOCI);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective

In accordance with Ind-AS 101 'First Time Adoption of Indian Accounting Standards', the group has continued the policy of capitalisation of exchange differences on foreign currency loans taken before the transition date. Accordingly, exchange differences arising on translation of long-term foreign currency monetary items relating to acquisition of depreciable fixed assets taken before the transition date are capitalized and depreciated over the remaining useful life of the asset.

k) Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

l) Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in Other Comprehensive Income.

i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year after taking credit of the benefits available under the Income Tax Act and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the group:

i) has a legally enforceable right to set off the recognized amounts; and

ii) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

ii) Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding tax bases used for taxation purposes. Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.
- initial recognition of goodwill

A deferred income tax asset is recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences and tax losses can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

For operations carried out in tax free units, deferred tax assets or liabilities, if any, have been recognised for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

Deferred tax assets and liabilities are offset only if:

i) The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

ii) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is probable evidence that the group will pay normal income tax in future. Accordingly, MAT is recognised as deferred tax asset in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

Company also considers decisions of appropriate authorities and legal advice for recognizing taxes. In the current year, the decision of Appellate Tribunal on Special Economic Zones was considered, the resultant net impact of which was not material.

m) Segment Reporting

An operating segment is defined as a component of the entity that represents business activities from which it earns revenues and incurs expenses and for which discrete financial information is available. The operating segments are based on the group's internal reporting structure and the manner in which operating results are reviewed by the Chief Operating Decision Maker (CODM).

The Management Advisory Committee of the group has been identified as the CODM by the group. Refer Note 34 for Segment disclosure.

n) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash flow statement

Cash flow statements are prepared in accordance with "Indirect Method" as explained in the Accounting Standard on Statement of Cash Flows (Ind AS - 7). The cash flows from regular revenue generating, financing and investing activity of the group are segregated.

o) Lease

The group leases various offices, warehouses, IT equipment and vehicles. Rental contracts are typically made for fixed periods of 6 months to 9 years but may have extension and termination options.

Until the 2019 financial year, leases of office & warehouses, IT equipment and vehicles leases were classified as either finance leases or operating leases. From 1 April 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Assets and liabilities arising from a lease are initially measured on a present value basis.

To determine the incremental borrowing rate, the group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the group, which does not have recent third party financing
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the group entities use that rate as a starting point to determine the incremental borrowing rate.

Lease liabilities include the net present value of the following lease payments:

- fixed payments, less any lease incentives receivable.
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the group under residual value guarantees
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

As a lessor

Lease income from operating leases where the group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of this underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature. The group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard

p) Share-based payment transaction:

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee benefit expense, with a corresponding increase in equity. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied and is adjusted to reflect the actual number of share options that vest.

The total amount to be expensed is determined by reference to the fair value of the options granted including any market performance conditions and the

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

impact of any non-vesting conditions and excluding the impact of any service and non-market performance vesting conditions.

q) Earnings per share:

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted Earnings per Share, the net profit or loss for the period attributable to Equity Shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

r) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(s) Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. the Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The subsidiary companies considered in the consolidated financial statements are:

Name of the group	Country of Incorporation	%voting power held as at March 31st, 2023 (March 31, 2022)
PILL Finance & Investment Limited	India	100% (100%)
PI Life Science Research Limited	India	100% (100%)
PI Japan Co. Ltd.	Japan	100% (100%)
Jivagro Ltd.	India	100% (100%)
PI Bioferma private limited (previously known as Enzhachem Private Limited)	India	100% (100%)
PI Fermachem Private Limited	India	100% (100%)
PI Health Science Private Limited	India	100% (Nil)

Equity accounted investees

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity accounted investees until the date on which significant influence or joint control ceases.

The joint venture and associate companies considered in the consolidated financial statements are:

Name of the group	Country of Incorporation	%voting power held as at March 31st, 2023 (March 31, 2022)
PI Kumiai Private Limited	India	50% (50%)
Solinnos Agro Sciences Private Limited	India	49% (49%)

(t) Business Combination

Business Combinations Entities under common control

Business combinations involving entities or businesses under common control is accounted for using the pooling of interest method as follows: -

(i) The assets and liabilities of the combining entities are reflected at their carrying amounts.

(ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.

(iii) The financial information in the Financial Statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the Financial Statements unless the business combination had occurred after that date, the prior period information shall be restated only from that date.

(iv) The consideration for the business combination may consist of securities, cash or other assets. Securities shall be recorded at nominal value. In determining the value of the consideration, assets other than cash shall be considered at their fair values.

(v) The balance of the retained earnings appearing in the Financial Statements of the group is aggregated with the corresponding balance appearing in the financial statements of the transferee. The identity of the reserves is preserved and appear in the Financial Statements of the group in the same form in which they appeared in the Financial Statements of the transferor.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2023

(All amounts in ₹ million, unless otherwise stated)

4 PROPERTY, PLANT AND EQUIPMENT

	Leasehold land	Freehold land	Leasehold improvement	Buildings	Plant and machinery	Furniture and fixtures	Office equipment	Vehicles	Total
Gross carrying amount									
As at beginning of April 01, 2021	**589**	**52**	**1**	**6,511**	**17,777**	**204**	**224**	**730**	**26,088**
Addition - Right of Use	-	-	-	294	10	-	29	14	**347**
Additions	-	16	-	1,132	3,506	10	84	66	**4,814**
Disposals/Adjustments	-	-	-	(149)	(6)	(0)	(3)	(52)	**(210)**
As at March 31, 2022	**589**	**68**	**1**	**7,788**	**21,287**	**214**	**334**	**758**	**31,039**
Addition - Right of Use	16	-	-	554	-		3	53	**626**
Additions	-	72	-	639	2,165	86	122	87	**3,171**
Disposals/Adjustments including Right of Use	-	-	-	(43)	(51)	-	(6)	(130)	**(230)**
As at March 31, 2023	**605**	**140**	**1**	**8,938**	**23,401**	**300**	**453**	**768**	**34,606**
Accumulated depreciation									
As at beginning of April 01, 2021	**21**	**-**	**0**	**896**	**4,512**	**74**	**134**	**254**	**5,891**
Depreciation charge during the year	11		(0)	238	1,379	22	27	48	**1,725**
Depreciation on Right of Use	-	-	-	80	1	-	14	88	**183**
Disposals/Adjustments	-	-	-	(56)	(4)	(0)	(0)	(30)	**(90)**
As at March 31, 2022	**32**	**-**	**0**	**1,158**	**5,888**	**96**	**175**	**360**	**7,709**
Depreciation charge during the year	7	-	0	270	1,569	23	35	57	**1,961**
Depreciation on Right of Use	-	-	-	98	-	-	15	71	**184**
Disposals/Adjustments including Right of Use	-	-	-	(43)	(13)	-	(6)	(130)	**(192)**
As at March 31, 2023	**39**	**-**	**0**	**1,483**	**7,444**	**119**	**219**	**358**	**9,662**
Net carrying amount									
As at March 31, 2022	**557**	**68**	**1**	**6,630**	**15,399**	**118**	**159**	**398**	**23,330**
As at March 31, 2023	**566**	**140**	**1**	**7,455**	**15,957**	**181**	**234**	**410**	**24,944**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

a. Depreciation for the year includes depreciation amounting to ₹ 165 (March 31, 2022 ₹ 153) on assets used for Research & Development. During the year Group incurred ₹ 425 (March 31, 2022 ₹ 185) towards capital expenditure for Research & Development (Refer Note 28).

b Refer note 32 (A) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

c. Refer note 41 for information on property, plant and equipment pledged as security by the Group.

d. Amount recognised above related to Right-of-use assets.

	As at March 31, 2023	As at March 31, 2022
Buildings	287	304
Office Equipment	32	44
Vehicles	94	112
Leasehold land	566	557
Plant and Machinery	0	9
Total	**979**	**1026**

e. **Capital work in progress ageing schedule as on March 31, 2023**

1) **Ageing of Capital work in progress**

	Amount in Capital work in progress for a period of				
Capital work in progress	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	526	89	10	-	625
Projects Temporarily suspended	-	-	-	-	-

2) **Completion schedule for Capital work in progress whose completion is overdue or has exceeded its cost compared to its original plan**

	To be completed in				
Projects in Progress (Completion overdue)	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress:					
Udaipur Plant - Existing R&D Centre - Replacement/Upgradation	1	-	-	-	1
Udaipur Plant - Existing Manufacturing Line - Replacement/ Upgradation	-	-	-	-	-
Udaipur New R&D Centre	-	-	-	-	-
Panoli Plant - Existing Manufacturing Line - Replacement/ Upgradation	25	-	-	-	25
Panoli Plant - Setting up a new manufacturing line	5	-		-	5
Plant- Existing LAB - Replacement/ Upgradation	-	-	-	-	-
Jambusar Plant - Existing Manufacturing Line - Replacement/ Upgradation	49	-	-	-	49
Jambusar Plant - Setting up a new manufacturing line	9	-	-	-	9
Others	61	-	-		61
(ii) Projects temporarily suspended	-	-	-	-	-
Total	**150**	-	-	-	**150**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

f. **Capital work in progress ageing schedule as on March 31, 2022**

1) **Ageing of Capital work in progress**

	Amount in Capital work in progress for a period of				
Capital work in progress	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in Progress	499	123	16	-	638
Projects Temporarily suspended	-	-	-	-	-

2) **Completion schedule for Capital work in progress whose completion is overdue or has exceeded its cost compared to its original plan**

	To be completed in				
Capital work in progress	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Projects in Progress:					
Udaipur Plant - Existing R&D Centre - Replacement/Upgradation	38	-	-	-	38
Udaipur Plant - Existing Manufacturing Line - Replacement/ Upgradation	10	-	-	-	10
Udaipur New R&D Centre	52	-	-	-	52
Panoli Plant - Existing Manufacturing Line - Replacement/ Upgradation	269	-	-	-	269
Panoli Plant - Setting up a new manufacturing line	40	-	-	-	40
Plant- Existing LAB - Replacement/ Upgradation	-	-	-	-	-
Jambusar Plant - Existing Manufacturing Line - Replacement/ Upgradation	165	-	-	-	165
Jambusar Plant - Setting up a new manufacturing line	5	-	-	-	5
Others	3	-	-		3
(ii) Projects temporarily suspended	**-**	**-**	**-**	**-**	**-**
Total	**582**	**-**	**-**	**-**	**582**

Capital Work in progress mainly comprises of ongoing projects in various plants constituting Plant & Machinery and Buildings.

5 **GOODWILL AND OTHER INTANGIBLE ASSETS**

	Computer Software	Product Development	Supply Agreement	Total	Goodwill*	Total
Gross carrying amount						
As at beginning of April 01, 2021	**200**	**29**	**324**	**553**	**828**	**1,381**
Additions	38	82	-	120	-	120
Disposals	-	-	-	-	-	-
As at March 31, 2022	**238**	**111**	**324**	**673**	**828**	**1,501**
Additions	20	16	-	36	-	36
Disposals	-	-	-	-	-	-
As at March 31, 2023	**258**	**127**	**324**	**709**	**828**	**1,537**
Accumulated amortisation						
As at beginning of April 01, 2021	**101**	**14**	**81**	**196**	**-**	**196**
Amortisation charge during the year	35	11	64	110	-	110

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

	Computer Software	Product Development	Supply Agreement	Total	Goodwill*	Total
Disposals	-	-	-	-	-	-
As at March 31, 2022	**136**	**25**	**145**	**306**	**-**	**306**
Amortisation charge during the year	32	23	65	120	-	120
Disposals	-	-	-	-	-	-
As at March 31, 2023	**168**	**48**	**210**	**426**	**-**	**426**
Net Carrying Amount						
As at March 31, 2022	**102**	**86**	**179**	**367**	**828**	**1,195**
As at March 31, 2023	**90**	**79**	**114**	**283**	**828**	**1,111**

* The goodwill allocated to Isagro cash generating unit and Jivagro cash generating unit are ₹ 671 Mn and ₹ 157 Mn respectively and is tested for impairment annually. The recoverable amount of Goodwill has been determined from a value in use calculation which require the use of assumptions. The value in use calculation uses cash flow forecasts based on the most recently approved financial budgets and business projections by the management, which cover a period of five years. Key assumptions underlying the value in use calculation are those regarding expected revenues, a post-tax discount rate of 17% per annum for Isagro Cash generating Unit and 17% per annum for Jivagro Cash Generating unit. Sales growth projections considers managements' expectation of market development, current industry trends and post-tax discount rate based on the relevant risks. 4% growth rate has been used to extrapolate the cash flow projections beyond the five-year period of the approved financial budgets. The management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the cash generating unit.

6 INTANGIBLE ASSETS UNDER DEVELOPMENT

	Intangible Assets under Development
As at beginning of April 01, 2021	**380**
Additions	209
Disposal/Adjustments	-
Amount recognised under Intangible assets	(82)
As at March 31, 2022	**507**
Additions	280
Disposal/Adjustments (including write offs)	(72)
Amount recognised under Intangible assets	(16)
As at March 31, 2023	**699**

The value-in-use of intangible assets under development is higher than the carrying amount.

a. Intangible Ageing Schedule as on March 31, 2023

1) Ageing of Intangible assets under development

IA under development	Amount in Capital work in progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	270	182	39	208	699
Projects Temporarily suspended	-	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

2) Completion schedule for Intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan

Projects in Progress	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Product development projects (Completion Overdue)	-	157	23	-	180
Total	**-**	**157**	**23**	**-**	**180**

Intangible Ageing Schedule as on March 31, 2022

1) Ageing of Intangible assets under development

IA under development	Amount in Capital work in progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	205	60	80	162	507
Projects Temporarily suspended	-	-	-	-	-

2) Completion schedule for Intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan

Projects in Progress	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Product development projects (Completion Overdue)	16	60	35	-	111
Total	**16**	**60**	**35**	**-**	**111**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

7 **FINANCIAL ASSETS**

7(a) **NON-CURRENT INVESTMENTS**

Investment in equity instruments (fully paid up)

1) **1) Quoted at FVTPL**

	As at March 31, 2023			As at March 31, 2022		
	Face value (in ₹)	No. of Shares	Amount	Face value (in ₹)	No. of Shares	Amount
a) United Credit Limited	10	700	0	10	700	0
b) Summit Securities	10	12	0	10	12	0
c) Akzo Nobel India Limited	10	50	0	10	50	0
d) BASF India Limited	10	976	2	10	976	3
e) Sudershan Chemical Industries Limited	1	900	1	1	900	1
f) Rallis India Limited	1	2,070	1	1	2,070	1
g) Bayers Crop Science Limited	10	66	0	10	66	0
h) Punjab Chemicals & Crop Protection Limited	10	248	0	10	248	0
i) Pfizer Limited (Erstwhile Wyeth Limited)	10	29	0	10	29	0
j) Sanofi India Limited	10	100	1	10	100	1
k) L.M.L.Limited	10	150	0	10	150	0
l) United Sprit Limited	10	940	1	10	940	1
m) RPG Life Sciences Limited	10	360	0	10	360	0
n) Voltas Limited	1	100	0	1	100	0
o) ICICI Bank Limited	2	2,530	2	2	2,530	2
			8			**9**
2) **2) Unquoted**						
a) Ciba CKD Biochem Limited	10	100	0	10	100	0
b) PI Collabotech Inc.(in JPY)	2,91,545	343	65	2,91,545	343	65
c) Investment in Ifionic India Pvt Ltd.			5			5
Less: Provision for diminution in value of investment			(23)			(23)
			47			**47**
TOTAL			**55**			**56**
Investment in Deposits with Financial Institution						
Unquoted Deposits						
Deposit with Financial Institution having remaining maturity of more than 12 months			-			202
TOTAL			**55**			**258**
Aggregate amount of quoted investments and market value thereof			8			9
Aggregate amount of un-quoted investments			70			272
Aggregate amount of impairment in the value of investments			(23)			(23)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

7(b) CURRENT INVESTMENTS

	As at March 31, 2023	As at March 31, 2022
Investment in mutual funds at FVTPL (Refer Note 43)		
Quoted		
a) Axis Liquid Fund - Direct Plan - Growth Option	-	222
'Nil (March 31, 2022 : 93,938) Units		
b) Nippon India Liquid Fund - Direct Plan-Growth Plan - Growth Option	1,028	693
186,717 (March 31, 2022 : 133,007) Units		
c) HDFC Ultra Short Term Fund - Direct Plan - Growth Option	2,266	2,146
172,861,190 (March 31, 2022 : 172,861,190) Units		
d) SBI Magnum Ultra Short Duration Fund-Direct Plan - Growth	2,247	2,133
435,559 (March 31, 2022 : 435,559) Units		
e) Aditya Birla Sun Life Money Manager Fund - Growth - Direct Plan	1,133	1,071
3,581,964 (March 31, 2022 : 3,581,964) Units		
f) Kotak Money Market Scheme - (Growth) - Direct	1,128	1,067
294,745 (March 31, 2022 : 294,745) Units		
g) Aditya Birla Sun Life Liquid Fund - Growth - Direct Plan	816	-
2,248,673 (March 31, 2022 : Nil) Units		
h) UTI Overnight Fund - Direct Plan - Growth Option	201	-
65,620 (March 31, 2022 : Nil) Units		
	8,819	**7,331**
TOTAL	**8,819**	**7,331**
Investment in Deposits with Financial Institution		
Unquoted Deposits		
Deposit with Financial Institution having a remaining maturity of less than 12 months	1,024	1,216
	9,843	**8,547**
Quoted		
Aggregate amount of quoted investments and market value thereof	8,819	7,331
Aggregate amount of impairment in the value of investments	-	-
Unquoted		
Aggregate amount of Unquoted investments	1,024	1,216
Aggregate amount of impairment in the value of investments	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

7(c) LOANS

	Non- Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good unless stated otherwise				
Loans and advances to related parties (Refer Note 35)	-	-	4	2
Other advances				
Employee advances				
Considered good	-	-	4	4
Doubtful	-	-	7	5
Less: Allowance for doubtful employee advances	-	-	(7)	(5)
Other miscellaneous advances	-	-	75	24
TOTAL	**-**	**-**	**83**	**30**

Classification of current and non current loans :

	As at March 31, 2023	As at March 31, 2022
Loans considered good- Secured	-	-
Loans considered good- Unsecured	83	30
Loans which have significant increase in credit risk	-	-
Loans- credit impaired	7	5
Total Loans	**90**	**35**
Less: loss allowance	(7)	(5)
TOTAL	**83**	**30**

7(d) TRADE RECEIVABLES

	As at March 31, 2023	As at March 31, 2022
Trade receivables	8,193	9,242
Receivables from related parties (Refer note 35)	259	144
Less: Allowance for doubtful debts	(732)	(699)
TOTAL	**7,720**	**8,687**
Current portion	7,720	8,687
Non-current portion	-	-

Break up of security details

	As at March 31, 2023	As at March 31, 2022
Trade receivables considered good- Secured	-	-
Trade receivables considered good- Unsecured*	7,935	9,053
Trade receivables which have significant increase in credit risk	-	-
Trade receivables- credit impaired	517	333
	8,452	**9,386**
Less: Allowance for doubtful debts	(732)	(699)
TOTAL	**7,720**	**8,687**

Refer note 41 for information on trade receivables pledged as security by the Group.

* Trade Receivable include amount due from Related Parties amounting to ₹ 259 (March 31, 2022 ₹ 144)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

Trade Receivable ageing as at March 31, 2023

Particulars	Unbilled	Outstanding for following periods from Due date						Total
		Not Due	Less than 6 months	6 months-1 years	1-2 years	2-3 years	More than 3 Years	
Undisputed trade receivables								
Considered Good	-	5,933	1,605	91	197	46	63	7,935
Which have significant increase in Credit Risk	-	-	-	-	-	-	-	-
Credit Impaired	-	-	-	-	-	-	-	-
Disputed trade receivables								
Considered Good	-	-	-	-	-	-	-	-
Which have significant increase in Credit Risk	-	-	-	-	-	-	-	-
Credit Impaired	-	-	45	11	28	39	394	517
Total	-	**5,933**	**1,650**	**102**	**225**	**85**	**457**	**8,452**
Less Allowance for doubtful debts	-	-	-	-	-	-	-	**(732)**
Net Total	-	**5,933**	**1,650**	**102**	**225**	**85**	**457**	**7,720**

Trade Receivable ageing as at March 31, 2022

Particulars	Unbilled	Outstanding for following periods from Due date						Total
		Not Due	Less than 6 months	6 months -1 years	1-2 years	2-3 years	More than 3 Years	
Undisputed trade receivables								
Considered Good	-	5,938	2,678	172	98	56	111	9,053
Which have significant increase in Credit Risk	-	-	-	-	-	-	-	-
Credit Impaired	-	-	-	-	-	-	-	-
Disputed trade receivables								
Considered Good	-	-	-	-	-	-	-	-
Which have significant increase in Credit Risk	-	-	-	-	-	-	-	-
Credit Impaired	-	-	6	9	24	73	221	333
Total	-	**5,938**	**2,684**	**181**	**122**	**129**	**332**	**9,386**
Less Allowance for doubtful debts	-	-	-	-	-	-	-	**(699)**
Net Total	-	**5,938**	**2,684**	**181**	**122**	**129**	**332**	**8,687**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

7(e) CASH AND CASH EQUIVALENTS

		As at March 31, 2023	As at March 31, 2022
i.	**Cash & Cash Equivalents**		
	Balance with banks		
	In Current Accounts	822	876
	In EEFC account	2,949	534
	Cash on hand	**1**	**0**
	Deposits with original maturity of less than 3 months	**4,955**	**2,096**
	TOTAL	**8,727**	**3,506**

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

7(f) BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at March 31, 2023	As at March 31, 2022
Fixed deposits with bank (refer note 43)	13,635	10,582
In unclaimed dividend accounts *	67	5
Unspent Corporate Social Responsibility **	-	9
TOTAL	**13,702**	**10,596**

* Not available for use by the Company as they represent corresponding unclaimed dividend liabilities.

** Amount unspent for ongoing projects.

7(g) OTHERS FINANCIAL ASSETS

	Non- Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good unless stated otherwise				
Security deposits	93	60	20	32
Considered good unless stated otherwise				
Interest and other charges recoverable from customers				
-Considered good	-	-	1	1
-Doubtful	-	-	153	117
Less: Allowance for doubtful debts	-	-	(153)	(117)
Deposits lodged with Excise & Sales Tax department	59	57	-	-
Deposit accounts held as margin money	22	21	-	-
Deposits with more than 12 months remaining maturity	71	1,483	-	-
Insurance Claims Recoverable	-	-	93	103
Less: Loss allowance for Insurance Claim receivable	-	-	(93)	-
Derivative financial instruments - foreign exchange forward contracts	-	273	-	316
TOTAL	**245**	**1,894**	**21**	**452**

7(h) CONTRACT ASSETS

	As at March 31, 2023	As at March 31, 2022
Contract assets*	661	1,331
TOTAL	**661**	**1,331**

*Recoverable from customers towards goods manufactured exclusively for customers (Refer note 3(h)).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

8 INVENTORIES

	As at March 31, 2023	As at March 31, 2022
Raw materials {includes stock-in-transit ₹ 75 (March 31, 2022 : ₹ 1,199)}	7,628	8,499
Work in progress	3,199	3,080
Finished goods * {includes stock-in-transit ₹ 281 (March 31, 2022 : ₹ 63)}	2,054	1,533
Stock in trade * {includes stock-in-transit ₹ Nil (March 31, 2022 : Nil)}	512	442
Stores & spares {includes stock-in-transit ₹ 3 (March 31, 2022 : ₹ Nil)}	583	680
TOTAL	**13,976**	**14,234**

* The cost of inventories recognised as an expense on account of provision of obsolete/ slow and non moving inventories amounting to ₹ 303 (March 31, 2022: ₹ 136)

9 INVESTMENTS IN ASSOCIATE AND JOINT VENTURE

	As at March 31, 2023	As at March 31, 2022
Investment in Unquoted Equity Instruments*		
Solinnos Agro Sciences Private Limited (Associate)**	22	7
PI Kumiai Private Limited (Joint Venture)***	236	183
	258	**190**

* Unlisted entity - no quoted price available

** The Group has a 49% interest in Solinnos Agro Sciences Private Limited, which is involved in the business of all types of agri Inputs. The Group's interest in Solinnos Agro Sciences Private Limited is at carrying amount determined using the equity method of accounting. The country of business is India.

*** The Group has a 50% interest in PI Kumiai Private Limited, which is involved in the business of are manufacturing and trading of Agri Science Products. The Group's interest in PI Kumiai Private Limited is at carrying amount determined using the equity method of accounting. The country of business is India.

The Group has interest in Solinnos Agro Sciences Private Limited and PI Kumiai Private Limited that are accounted for using equity method and are individually immaterial to the Group. Refer table below for details: -

	As at March 31, 2023	As at March 31, 2022
Aggregate carrying amount of individually immaterial associate and joint venture	258	190
Aggregate amounts of the group's share of:		
Profit/(loss) from continuing operations	68	36
Total comprehensive income	**68**	**36**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

10 OTHER ASSETS

	Non- Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Considered good unless stated otherwise				
Capital advances				
Considered good	138	75	-	-
Doubtful	1	1	-	-
Less: Allowance for doubtful advances	(1)	(1)	-	-
Advances to vendors				
Considered good	-	-	455	708
Doubtful	-	-	33	30
Less: Allowance for doubtful advances	-	-	(33)	(30)
Balance with Government Authorities**	-	-	954	692
Prepayments	5	5	155	113
Export incentive receivables	-	-	172	576
Right to recover returned goods	-	-	154	167
Other miscellaneous advances*	45	45	-	-
TOTAL	**188**	**125**	**1,890**	**2,256**

* Other miscellaneous advances includes amount of ₹ 40 (March 31, 2022 ₹ 40) deposited with Sales Tax and Custom Authorities under protest.

** Balance with Government Authorities includes amount of ₹ 23 (March 31, 2022 ₹ 21) deposited with Excise Duty authorities under protest.

11 CURRENT TAX ASSETS

	As at March 31, 2023	As at March 31, 2022
Advance income tax (Net of provision for income tax ₹ 7,254 {March 31, 2022 ₹ 5,503})	49	135
TOTAL	**49**	**135**

12 EQUITY SHARE CAPITAL

	As at March 31, 2023	As at March 31, 2022
Authorised Shares		
888,000,000 (March 31, 2022 : 888,000,000) Equity Shares of ₹1 each (March 31, 2022 : ₹ 1 each)	888	888
	888	**888**
Issued Shares		
151,894,693 (March 31, 2022 : 151,894,693) Equity Shares of ₹1 each (March 31, 2022 : ₹ 1 each)	152	152
	152	152
Subscribed & Fully Paid up Shares		
151,718,118 (March 31, 2022 : 151,718,118) Equity Shares of ₹1 each (March 31, 2022 : ₹ 1 each)	152	152
Total subscribed and fully paid up share capital	**152**	**152**

a. **The difference between the issued and subscribed capital is on account of less number of shares allotted in right issue in earlier years.**

b. **Terms/ rights attached to Equity Shares**

The Company has only one class of Equity Shares having a par value of ₹1 per share (March 31, 2022 ₹ 1 per share). Each holder of Equity Shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except interim dividend. In the event of liquidation, the Equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

c. **Own shares held by ESOP Trust**

In the earlier years, PII ESOP Trust was set up to administer the employee stock option plan. During the current year PII ESOP Trust has been consolidated. Refer table below for movement of shares on account of consolidation: -

	For the year ended March 31, 2023		For the year ended March 31, 2022	
Particulars	**No. of shares**	**Amount**	**No. of shares**	**Amount**
Opening balance	55,821	0	89,263	0
Adjustment on consolidation of ESOP Trust during the year	-	-	-	-
Exercised during the year	13,443	0	33,442	0
Closing balance	**42,378**	**0**	**55,821**	**0**

d. **Issue of Shares under employee stock option (ESOP) Scheme**

During the year ended March 31, 2023, the Company has issued Nil equity shares (March 31, 2022 Nil equity shares), as per exercise price to PII ESOP Trust, set up to administer Employee Stock Option Plan. Out of total equity shares issued to the Trust in previous year 13,443 equity shares of face value of ₹ 1 each (March 31, 2022 33,442 equity shares of face value of ₹ 1 each) have been allocated by the Trust to respective employees upon exercise of Stock Option. As on March 31, 2023, 42,378 equity shares of face value of ₹ 1 per share (March 31, 2022 55,821 of face value of ₹ 1 each) are pending to be allocated to employees upon exercise of Stock Option. (Refer Note 31)

e. **Reconciliation of shares outstanding at the beginning and at the end of the reporting period**

Issued share capital

Equity Shares

	Equity Share (No. of Shares)		Value of Equity Shares	
Particulars	**2022-23**	**2021-22**	**2022-23**	**2021-22**
Share outstanding at beginning of period	15,18,94,693	15,18,94,693	152	152
Share outstanding at end of period	**15,18,94,693**	**15,18,94,693**	**152**	**152**

Subscribed & paid up

Equity Shares

	Equity Share (No. of Shares)		Value of Equity Shares	
Particulars	**2022-23**	**2021-22**	**2022-23**	**2021-22**
Share outstanding at beginning of period	15,17,18,118	15,17,18,118	152	152
Shares issued under employee stock option scheme	-	-	-	-
Share outstanding at end of period	**15,17,18,118**	**15,17,18,118**	**152**	**152**

f. **Shares reserved for issue under option**

Shares reserved for issue under employee stock option scheme is set out in Note 31

g. **Details of shareholders holding more than 5% shares in the Company**

Equity Shares

	2022-23		2021-22	
Name of Shareholders	**No of Shares**	**% of Holding**	**No of Shares**	**% of Holding**
Mr. Salil Singhal	98,07,472	6.46	85,54,857	5.64
Ms. Madhu Singhal	2,64,80,907	17.45	2,15,60,500	14.21
Mr. Mayank Singhal	3,10,28,510	20.45	3,20,28,510	21.11
Ms. Pooja Singhal	24,92,528	1.64	86,65,550	5.71

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

Details of shareholding by promoters

Name of Promoters	As on March 31, 2023 Number of Shares	% to total number of shares	Percentage of change during the year	As on March 31, 2022 Number of Shares	% to total number of shares	Percentage of change during the year
Mr. Mayank Singhal	3,10,28,510	20.45	(0.66)	3,20,28,510	21.11	-
Ms. Madhu Singhal	2,64,80,907	17.45	3.24	2,15,60,500	14.21	-
Mr. Salil Singhal	98,07,472	6.46	0.82	85,54,857	5.64	-
Ms. Pooja Singhal	24,92,528	1.64	(4.07)	86,65,550	5.71	-
Ms. Shefali Khushalani	1,11,057	0.07	-	1,11,057	0.07	-
Mr. Salil Singhal (Holding as a trustee in SVVK Family Benefit Trust)	-	0.00	-	20	0.00	-

13 OTHER EQUITY

	Reserves & surplus	As at March 31, 2023		As at March 31, 2022	
a.	**Capital reserve**		**15**		**15**
	Capital Reserve pertains to amount transferred from capital redemption reserve which was created for redemption of preference share.				
b.	**Capital redemption reserve**				
	Balance at the beginning of the financial year	4		4	
	Addition during the Financial year	-	4	-	4
c.	**Securities premium reserve**		**21,999**		**21,999**
	Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.				
d.	**SEZ Reinvestment reserve**				
	Opening Balance	-		-	
	Add: Transfer from retained earnings	968	968	-	-
e.	**General reserve**		**1,857**		**1,857**
f.	**Surplus in statement of profit & loss**				
	Balance at the beginning of the financial year	36,853		29,171	
	Addition during the financial year	12,295		8,438	
	Add: Remeasurement gain / (loss) on defined benefit plans through OCI	30		2	
	Less: Transfer to SEZ Reinvestment reserve	(968)		-	
	Less: Interim dividend (refer note 14)	(682)		(455)	
	Less: Final dividend (refer note 14)	(455)		(303)	
			47,073		36,853
g.	**Own shares held by ESOP Trust**				
	Balance at the beginning of the financial year	(33)		(51)	
	Less: Shares issued to employees by the trust during the year	7	(26)	18	(33)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

	Reserves & surplus	As at March 31, 2023		As at March 31, 2022	
	Items of other comprehensive income				
h.	**Cash flow hedge reserve**				
	Balance at the beginning of the financial year	355		274	
	Add: Other comprehensive income for the financial year	(414)	(59)	81	355
i.	**Foreign currency translation reserve**				
	Balance at the beginning and end of the financial year	2		3	
	Other comprehensive income for the year	0	2	(1)	2
	Total		**71,833**		**61,052**

14 DISTRIBUTION MADE AND PROPOSED

A	Dividends declared and paid:	As at March 31, 2023	As at March 31, 2022
	Final dividend (March 31, 2023 pertains to financial year 2021-22 and March 31, 2022 pertains to financial year 2020-21)	455	303
	Interim dividend (March 31, 2023 pertains to financial year 2022-23 and March 31, 2022 pertains to financial year 2021-22)	682	455
	Total dividends	**1,137**	**758**

B	Dividends not recognised at the end of the reporting period	As at March 31, 2023	As at March 31, 2022
	In addition to the above dividends, subsequent to the year end the Board of Directors have recommended a final dividend of ₹ 5.50 per fully paid equity share (March 31, 2022 ₹ 3).	834	455

This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

15 FINANCIAL LIABILITIES

15(a) BORROWINGS

	Non- Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Secured				
Term Loans - From Banks and Financial Institutions				
Foreign Currency Loans from Banks at amortised cost	-	2,678	-	979
Less Current maturities of Foreign Currency Loans from Banks at amortised cost	-	(970)	-	-
Less: Interest accrued but not due on borrowings	-	(9)	-	-
TOTAL	**-**	**1,699**	**-**	**979**

a. Foreign currency loans includes:

External commercial borrowing from HSBC Bank, Singapore, outstanding as at beginning of the year aggregating Rs. 2,678 million (USD 35.36 million) was repaid in full on January 12, 2023, though the original maturity date of the loan was October 10, 2024. The loan was secured by exclusive charge on movable plant and machinery and building relating to multi purpose plant (MPP) - 10 & 11 of the Company situated at SPM 29/2, Jambusar (Gujarat). HSBC Bank, Singapore has confirmed (vide "No Dues certificate" dated April 24, 2023) that all security provided by Company in connection with the Facility Agreement shall be released and/or discharged. Subsequently, the Company has filed satisfaction of charge with Registrar of Companies on May 03, 2023.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

b. Changes in liabilities arising from financing activities	As at March 31, 2023	As at March 31, 2022
This section sets out changes in liabilities arising from financing activities pursuant to requirements under Ind AS 7		
Current portion of long term financial borrowings	-	(979)
Non-current portion of long term financial borrowings	-	(1,699)
TOTAL	**-**	**(2,678)**

	Amount	Amount
Balance as at the beginning of the year	**(2,678)**	**(3,279)**
Foreign exchange translation gain/(loss)	(204)	(110)
Interest expense	(70)	(54)
Interest paid	294	49
Amortisation of Prepaid Processing Charges on Term Loan	(11)	(4)
Re-payments	2,669	720
Balance as at the end of the year	**-**	**(2,678)**

c. Loan covenants

Under the terms of the major borrowing facilities, the holding Company was required to comply with the following financial covenants :

a. the Debt service coverage ratio (DSCR) must be higher than 2 as at year end. [DSCR = (PAT + Depreciation + Interest expenses + Deferred tax + Amortization)/ (Interest paid (including interest capitalized) + Finance charges paid + Long term and short term debt repayments excluding working capital)]

b. Fixed assets coverage ratio (FACR) must be higher than 1.25 as at year end [Fixed assets coverage ratio = (Hypothecated Movable Fixed Assets (net book value) + Immovable assets mortgaged (book value))/ (secured loan outstanding)]

c. External Debt/EBIDTA to be maintained below 2.5 as at year end. [Total debt or borrowings/ EBIDTA]

d. External gearing to be maintained below 2 as at year end.[Total debt or borrowings /Tangible net worth]

The company complied with these ratios till the repayment date. Since there is no loan outstanding at the year end, hence, there are no covenants to be complied with.

d. There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

e. The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were taken. In respect of the term loans which were taken in the previous year, those were applied in the respective year for the purpose for which the loans were obtained.

f. As on the Balance sheet date there is no default in repayment of loans and interest.

g. The Company has borrowings from banks on the basis of security of current assets. The Company has complied with the requirement of filing of quarterly returns/statements of current assets with the banks, as applicable, and these quarterly returns were in agreement with the unaudited books of accounts during the year ended March 31, 2023. However the Company has not filed return or statements for the quarter ended March 31, 2023 with the banks which will be filed subsequent to May 18, 2023, as per due date agreed.

15(b) TRADE PAYABLES

	As at March 31, 2023	As at March 31, 2022
Trade payables		
-Due to micro and small enterprises (Refer Note 36)	804	260
-Other trade payables*	7,576	8,982
TOTAL	**8,380**	**9,242**

* Other trade payable includes amount due to related parties amounting to ₹ 195 (March 31, 2022 ₹ 82)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

Trade Payable aging as on March 31, 2023

Particulars	Unbilled	Not Due	Outstanding for following periods from Due Date				Total
			Less than 1 years	1-2 years	2-3 years	More than 3 Years	
Undisputed trade payables							
Micro enterprises and small enterprises	-	746	50	1	7	-	804
Others	-	5,817	1,657	77	10	15	7,576
Disputed trade payables							
Micro enterprises and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Totals	**-**	**6,563**	**1,707**	**78**	**17**	**15**	**8,380**

Trade Payable aging as on March 31, 2022

Particulars	Unbilled	Not Due	Outstanding for following periods from Due Date				Total
			Less than 1 years	1-2 years	2-3 years	More than 3 Years	
Undisputed trade payables							
Micro enterprises and small enterprises	-	245	15	-	-	-	260
Others	-	7,968	991	11	7	5	8,982
Disputed trade payables							
Micro enterprises and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Totals	**-**	**8,213**	**1,006**	**11**	**7**	**5**	**9,242**

15(c)OTHER FINANCIAL LIABILITIES

	Non- Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Employee payables*	-	-	670	553
Security deposits from dealers	296	287	-	-
Security deposits from contractors	2	3	1	1
Unclaimed dividends	-	-	67	5
Unspent CSR	-	-	-	9
Creditors for capital purchases	-	-	402	311
Other payable **	-	-	1,054	1,109
Derivative financial instruments - foreign exchange forward contracts	56	-	36	-
TOTAL	354	290	2,230	1,988

* This includes due to directors amounting to ₹ 152 (March 31, 2022 ₹ 107)

** This includes due to non-executive/ independent directors amounting to ₹ 43 (March 31, 2022 : ₹ 33)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

15(d) Lease Liabilities

	Non- Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Lease Liabilities	324	281	141	204
	324	281	141	204

a Changes in liabilities arising from financing activities- lease liabilities :-	As at March 31, 2023	As at March 31, 2022
Balance as at the beginning of the year	**485**	**449**
Interest expense	50	43
Addition- lease liabilities	614	347
Deletion - lease liabilities	(1)	(144)
Lease rental paid	(683)	(210)
Balance as at the end of the year	**465**	**485**

16 PROVISIONS

	Non- Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits				
Long term compensated absences	5	5	144	138
Gratuity (Refer Note no. 30)	98	75	1	6
	103	**80**	**145**	**144**
Provisions for legal claims	-	-	133	133
	-	-	133	133
TOTAL	**103**	**80**	**278**	**277**

(i) Long term compensated absences

The long term compensated absences cover the company's liability for earned leave which are classified as other long-term benefits.

The entire amount of provision of ₹ 144 is presented as current, since the company does not have an unconditional right to defer settlement for any of these obligations. However based on past experience, the company does not expect all employees to avail the full amount of accrued leave or require payment for such leave within next 12 months.

	As at March 31, 2023	As at March 31, 2022
Leave obligations not expected to be settled within the next 12 months	144	138

(ii) Information about provisions for legal claims

(a) Government of Rajasthan issued a notification resulting into an excise liability of ₹ 4 (March 31, 2022: ₹ 4). The Company has filed writ against the notification and has furnished fixed deposit against the said liability. The case is pending before Honourable Rajasthan High Court.

(b) An objection was raised by the excise department on classification of one of the sale product resulting in demand of differential excise duty. The Company filed an appeal against the order. As on March 31, 2023 provision for excise duty is Rs. 128 (March 31, 2022 Rs.128) . Case is pending before Tribunal of Excise & Customs, Ahmedabad.

(ii) Movement in other provisions

	Legal claims
As at March 31, 2021	**265**
Provisions made during the year	-
Provision reversed during the year	(132)
As at March 31, 2022	**133**
Provisions made during the year	-
Provision reversed during the year	-
As at March 31, 2023	**133**

17 DEFERRED TAX (ASSETS) / LIABILITIES

The balance comprises temporary differences attributable to:		As at March 31, 2023	As at March 31, 2022
Deferred tax liabilities			
Property, plant and equipment		2,814	2,445
Other comprehensive income items			
- Effective portion on cash flow hedges		(42)	180
Unrealised gain on mutual fund		285	161
Right of use assets		108	124
	A	**3,165**	**2,910**
Deferred tax assets			
Provision for employee benefits		(60)	(58)
Other provisions		(18)	(18)
Intangible assets		(19)	(19)
Other financial liabilities		(7)	(7)
Trade receivables		(263)	(233)
Lease liabilities		(129)	(129)
Other comprehensive income items			
- Remeasurements on defined benefit plans		(7)	(21)
- Exchange difference on translation of foreign operations		1	1
Others		(57)	(37)
Minimum alternate tax (MAT) credit entitlement		(2,393)	(1,514)
	B	**(2,952)**	**(2,035)**
Net deferred tax (assets)/ liabilities	**TOTAL (A+B)**	**213**	**875**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

Movement in deferred tax:

	As at March 31, 2022	Recognized in P&L	Recognized in OCI	Other Adjustments*	As at March 31, 2023
Deferred tax liabilities					
Property, plant and equipment	2,445	369	-	-	2,814
Other comprehensive income items					
- Effective portion on cash flow hedges	180	-	(222)	-	(42)
Unrealised gain on mutual fund	161	124	-	-	285
Right of use assets	124	(16)	-	-	108
Sub- Total (a)	**2,910**	**477**	**(222)**	**-**	**3,165**
Deferred tax assets					
Provision for employee benefits	58	2	-	-	60
Other provisions	18	-	-	-	18
Intangible assets	19	0	-	-	19
Other financial liabilities	7	-	-	-	7
Trade receivables	233	30	-	-	263
Lease liabilities	129	-	-	-	129
Other comprehensive income items					
- Remeasurements on defined benefit plans	21	-	(14)	-	7
- Exchange difference on translation of foreign operations	(1)	-	0	-	(1)
Others	37	20	-	-	57
Minimum alternate tax (MAT) credit entitlement	1,514	927	-	(48)	2,393
Sub- Total (b)	**2,035**	**979**	**(14)**	**(48)**	**2,952**
Net deferred tax liability (a)-(b)	**875**	**(502)**	**(208)**	**48**	**213**

Movement in deferred tax:	As at March 31, 2021	Recognized in P&L	Recognized in OCI	Other Adjustments**	As at March 31, 2022
Deferred tax liabilities					
Property, plant and equipment	2,053	392	-	-	2,445
Other comprehensive income items				-	
- Effective portion on cash flow hedges	137	-	43	-	180
Unrealised gain on mutual fund	67	94	-	-	161
Right to use assets	140	(16)	-	-	124
Sub- Total (a)	**2,397**	**470**	**43**	**-**	**2,910**
Deferred tax assets					
Provision for employee benefits	68	(10)	-	-	58
Other provisions	59	(41)	-	-	18
Intangible assets	(14)	33	-	-	19
Other financial liabilities	6	1	-	-	7
Trade receivables	166	67	-	-	233
Lease liabilities	148	(19)			129
Other comprehensive income items					
- Remeasurements on defined benefit plans	23	-	(2)	-	21
-Exchange difference on translation of foreign operations	(1)	-	-	-	(1)
Others	65	(43)	-	15	37
Minimum alternate tax (MAT) credit entitlement	1,081	542	-	(109)	1,514
Sub- Total (b)	**1,601**	**530**	**(2)**	**(94)**	**2,035**
Net deferred tax liability (a)-(b)	**796**	**(60)**	**45**	**94**	**875**

*Actualisation of MAT credit utilisation for the FY 2022-23 on the basis of the return filed.
**Actualisation of MAT credit utilisation for the FY 2021-22 on the basis of the return filed.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

18 OTHER LIABILITIES

	Non- Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Advance from customers	-	-	312	298
Refund/ Return liabilities*	-	-	276	300
Statutory dues payable	-	-	147	100
TOTAL	**-**	**-**	**735**	**698**

* The Company has a customary practice of accepting return and accordingly, the Company has recognised a refund liability for the amount of consideration received for which the Company does not expect to be entitled amounting to ₹ 276 (March 31,2022: ₹ 300). The Company has also recognised a right to recover the returned goods ₹ 154 (March 31, 2022: ₹ 167). The costs to recover the products are not material because the customers usually return the product in a saleable condition.

19 CURRENT TAX LIABILITIES

	As at March 31, 2023	As at March 31, 2022
Provision for Income Tax (Net of Advance Income Tax ₹ 7,259 {March 31, 2022 ₹ 6,559})	54	94
TOTAL	**54**	**94**

20 REVENUE FROM OPERATIONS

		Year ended March 31, 2023	Year ended March 31, 2022
	Revenue from contracts with customers:		
a)	Sale of products	64,452	52,491
b)	Sale of services	130	33
	Other operating revenues:		
	Scrap sales	35	102
	Export incentives	303	369
	Revenue From Operations (Net)	**64,920**	**52,995**

Reconciliation of revenue recognised with the contract price:	Year ended March 31, 2023	Year ended March 31, 2022
Contract Price	67,273	54,970
Adjustments for:		
Refund liabilities	(276)	(300)
Discount/Incentives	(2,545)	(2,179)
Revenue from Operations	**64,452**	**52,491**

Critical judgements in revenue :

The group has recognised Provision for discounts and sales returns amounting to ₹ 678 from sale of products to various customers during the year ended March 31, 2023 (March 31, 2022 ₹ 826). The provision has been determined by the management based on the current and expected operating environment, Sales returns variability, expected achievement of targets against various ongoing schemes floated.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

21A OTHER INCOME

	Year ended March 31, 2023	Year ended March 31, 2022
Interest Income from financial assets at amortised cost	848	665
Unwinding of discount on security deposits	0	6
Net gain/ (loss) on sale of Plant, property and equipment ;	-	-
Net gain on financial assets measured at fair value through profit or loss		
-Realised Gain	68	0
-Unrealised Gain/ (Loss)	354	277
Net foreign exchange differences	208	-
Provision for bad and doubtful debts and advances no longer required	-	-
Miscellaneous Income	112	66
TOTAL	**1,590**	**1,014**

21B CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

		Year ended March 31, 2023		Year ended March 31, 2022
Closing balance				
Finished Goods	2,054		1,533	
Stock in trade	512		442	
Work in Progress	3,199		3,080	
Right to recover returned goods (Refer Note 10)	154	5,919	167	5,222
Opening balance				
Finished Goods	1,533		1,676	
Stock in trade	442		355	
Work in Progress	3,080		1,004	
Right to recover returned goods (Refer Note 10)	167	5,222	168	3,203
TOTAL		**(697)**		**(2,019)**

22 EMPLOYEE BENEFIT EXPENSE

	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus	4,882	4,454
Contribution to provident & other funds (Refer Note 30)	188	172
Gratuity (Refer Note 30)	66	64
Long term compensated absences	26	32
Employees Welfare Expenses	212	181
	5,374	**4,903**
Less: transferred to capital work in progress	108	99
TOTAL	**5,266**	**4,804**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

23 OTHER EXPENSE

	Year ended March 31, 2023	Year ended March 31, 2022
Power, Fuel & Water	1,901	1,531
Consumption of stores & spares	424	381
Repairs & Maintenance		
- Buildings	61	83
- Plant and machinery	474	389
- Others	304	268
Environment & Pollution Control expenses	1,070	1,038
Laboratory & Testing Charges	399	288
Freight & Cartage	893	825
Advertisement & Sales Promotion	683	506
Travelling and conveyance	705	483
Rental charges {Refer note 32 (c)}	83	114
Rates and taxes	155	66
Insurance	166	170
Donation	1	5
Loss on Sale/Retirement of property, plant and equipment (Net)	1	0
Payment to auditors {Refer note 23 (a) below}	11	9
Telephone and communication charges	74	71
Provision for Bad and Doubtful debts & Advances	129	225
Bad Trade Receivables written off	-	-
Director sitting fees and commission	41	37
Legal & professional fees	405	474
Net foreign exchange differences	4	31
Bank charges	22	33
Corporate social responsibility expenditure {Refer note 24 below}	170	140
Miscellaneous Expenses	539	386
	8,715	**7,553**
Less: transferred to capital work in progress	9	14
TOTAL	**8,706**	**7,539**

a. Auditors' Remuneration	Year ended March 31, 2023	Year ended March 31, 2022
-Audit Fees	9	7
- Limited Review Fees	1	2
-Certificates	0	0
-Reimbursement of expenses	1	0
TOTAL	**11**	**9**

24 CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

	Year ended March 31, 2023	Year ended March 31, 2022
Amount required to be spent by the Company during the year	170	140
Amount of expenditure incurred	170	140
Amount of Shortfall for the year	-	-
Amount of Cumulative shortfall at the end of the year	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

Disclosures in relation to corporate social responsibility expenditure	Year ended March 31, 2023	Year ended March 31, 2022
Contribution to PI foundation	170	140
Accrual towards unspent obligations in relation to:		
On going projects	-	-
Other than ongoing projects	-	-

Disclosure in Financial Statement

Details of ongoing CSR projects under Section 135(6) of the Act

Balance as at 1 April 2022		Amount required to be spent during the year	Amount spent during the year		Balance as at 31 March 2023 (Refer Note 1)	
With the company	In separate CSR unspent account (Refer note 1)		From the company's bank account (Refer note 1)	From separate CSR unspent account	With the company	In separate CSR unspent account
0	51	170	138	51	-	32

Note 1 - The company has transferred required amount to PI Foundation amounting to INR 170 (Previous Year : INR 140) and the out of which INR 32 (Previous Year : INR 42) has been refunded back to the company in April 2023 (Previous Year : April 2022) as the amount was not spent by PI Foundation.

Details of CSR expenditure U/S 135(5) of the act in respect of other than ongoing projects

Balance unspent as on April 01, 22	Amount deposited in Specified fund of Schedule VII of the act with in 6 month	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at March 31,2023
-	-	-	-	-

Details of excess CSR expenditure under section 135(5) of the act

Balance excess spent as at April 01, 2022	Amount required to be spent during the year	Amount spent during the year	Balance excess spent as at March 31, 2023
-	-	-	-

25 DEPRECIATION AND AMORTIZATION EXPENSES

	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation of property, plant and equipment (Refer Note 4)	1,961	1,725
Amortization of right-of-use- assets (Refer Note 4)	184	183
Amortization of Intangible Assets (Refer Note 5)	120	110
	2,265	**2,018**

26 FINANCE COST

	Year ended March 31, 2023	Year ended March 31, 2022
Interest on financial liabilities measured at amortised cost	331	90
Interest and finance charges on lease liability	40	38
	371	**128**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

27 INCOME TAX EXPENSE

a)	Income tax expense recognized in Profit and Loss	Year ended March 31, 2023	Year ended March 31, 2022
	Current tax expense		
	Current tax on profits for the year	2,592	1,847
	Adjustment of current tax for prior year periods	58	103
	Total Current tax expense	**2,650**	**1,950**
	Deferred tax expense		
	(Decrease) / Increase in Deferred tax liability	477	470
	Decrease / (Increase) in Deferred tax assets	(979)	(530)
	Net Deferred tax expense /(Income)	**(502)**	**(60)**
	Total Income tax expense	**2,148**	**1,890**

b)	Deferred tax related to items recognised in Other comprehensive income during the year	Year ended March 31, 2023	Year ended March 31, 2022
	Remeasurement of defined benefit plans	14	2
	Effective portion on cash flow hedges	(222)	43
	Exchange difference on translation of foreign operation	(0)	1
	Income tax charged to Other comprehensive income	**(208)**	**46**

c)	Reconciliation of tax expense and the accounting profit multiplied by India's tax rate	Year ended March 31, 2023	Year ended March 31, 2022
	Accounting profit before tax	14,443	10,328
	Tax at India's statutory income tax rate @ 34.944% (March 31, 2022: 34.944%)	5,047	3,610
	Adjustment in respect of current income tax of previous years	58	103
	Effect of income that is exempt from taxation (operations in tax free zone)	(2,950)	(1,826)
	Effect of lower income tax rate	29	-
	Effect of amounts which are not deductible in calculating taxable income	(36)	3
	Income Tax Expense	**2,148**	**1,890**

d)	Unrecognized temporary differences	Year ended March 31, 2023	Year ended March 31, 2022
	Temporary difference relating to investments in subsidiaries for which deferred tax liabilities have not been recognised:		
	Undistributed earnings	1,066	720
	Unrecognised deferred tax liabilities relating to the above temporary differences @ 34.944% (March 31, 2022: 34.944%)	372	252

Certain subsidiaries of the Group have undistributed earnings which, if paid out as dividends, would be subject to tax in the hands of the recipient. An assessable temporary difference exists, but no deferred tax liability has been recognised as the Group is able to control the timing of distributions from the subsidiaries. These subsidiaries are not expected to distribute these profits in foreseeable future.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

28	RESEARCH & DEVELOPMENT EXPENSES
	Details of Expenditure on Research & Development Facilities/ division of the group recognised by Department of Scientific & Industrial Research

a)	Revenue Expenditure	Year ended March 31, 2023	Year ended March 31, 2022
	Other Income	10	0
	Total	**10**	**0**
	Employee Benefit Expenses		
	Salaries, Wages & Bonus	596	480
	Contributions to Provident & other funds	40	40
	Employee Welfare Expenses	20	13
		656	**533**
	Raw & Packing Materials Consumed	**10**	**130**
	Other Expenses		
	Laboratory & testing Material	235	68
	Power, Fuel & Water	58	47
	Consumption of stores & spares	88	31
	Testing & analysis	35	40
	Travelling & conveyance	26	18
	Rates and taxes	26	0
	Printing & Stationery	1	1
	Bank Charges	0	0
	Legal & professional fees	60	54
	Miscellaneous Expenses	82	114
		611	**373**
	Depreciation		
	Depreciation	165	153
		1,442	**1,189**
	Total Expenditure	**1,432**	**1,189**

b)	Capital Expenditure	Year ended March 31, 2023	Year ended March 31, 2022
	Description		
	Buildings	40	2
	Equipment & Others	385	183
		425	**185**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

29 EARNING PER SHARE (EPS)

		Year ended March 31, 2023	Year ended March 31, 2022
a)	Net Profit for Basic and Diluted EPS	12,295	8,438
b)	Number of Equity Shares at the beginning of the year	151,718,118	151,718,118
	Total	151,718,118	151,718,118
	Less: Adjustment of own shares held under ESOP Trust	(42,378)	(55,821)
	Total Number of Shares outstanding at the end of the Period	151,675,740	151,662,297
	Weighted Average number of Equity Shares outstanding during the period - Basic	151,675,740	151,643,525
	Add: Weighted Average number of Equity Shares arising out of grant of Employee Stock option	38,040	58,403
	Weighted Average number of Equity Shares outstanding during the year - Diluted	151,713,780	151,701,927
	Earning Per Share - Basic (₹)	81.06	55.65
	Earning per share - Diluted (₹)	81.04	55.63
	Face value per share (₹)	1.00	1.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

30 EMPLOYEE BENEFITS

In respect of entities incorporated in India, the Group participates in defined contribution and benefit schemes, the assets of which are held (where funded) in separately administered funds. For defined contribution schemes the amount charged to the statements of profit or loss is the total of contributions payable in the year.

Provident Fund

In accordance with the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 (EPF and MP Act), employees are entitled to receive benefits under the Provident Fund. Employers and employees both contribute @12% of wages in contribution accounts. Further, the employers also contribute towards administration of the benefits under the EPF and MP Act. All employees have an option to make additional voluntary contributions as permissible under the Act. These contributions are made to the fund administered and managed by the Employee Provident Fund organization. The Group has no further obligations under the fund managed by the Employee Provident Fund Organization (EPFO) beyond its monthly contributions which are charged to the statements of profit or loss in the period they are incurred. The benefits are paid to employees on their retirement or resignation from the EPFO. Also, refer note 33.

Gratuity Plan

In accordance with the Payment of Gratuity Act of 1972, PI Industries Limited has established a defined benefit plan (the "Gratuity Plan"). The Gratuity Plan provides a lump sum payment to the employees at the time of retirement or resignation (after 5 years of continued services of employment), being an amount based on the respective employee's last drawn salary and the number of years of employment with the Group. Based on actuarial valuations conducted as at year end, a provision is recognised in full for the benefit obligation over and above the funds held in the Gratuity Plan. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income.

Long term compensated absences

The liabilities for compensated absence namely earned and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit and loss.

a) Defined Contribution Plans:-

The Group has recognised an expense of ₹ 188 (Previous Year ₹ 172) towards the defined contribution plan.

b) DEFINED BENEFITS PLANTS - AS PER ACTUARIAL VALUATION

I Change in present value of obligation during the year

	Year ended March 31, 2023		Year ended March 31, 2022	
	Gratuity		Gratuity	
	Funded	Non-funded	Funded	Non-funded
Present value of obligation at the beginning of the year	477	0	451	0
On account of Acquisition (refer note 42)				
Total amount included in profit and loss*:				
- Current Service Cost	59	0	56	0
- Interest Cost	32	0	30	0
- Past Service Cost	-	-	-	-
Total amount included in OCI:				
Remeasurement related to gratuity:				
Actuarial losses/(gains) arising from:	(17)	-	(6)	-
- Demographic Assumption	-	-	6	-
- Financial assumption	(6)	-	(20)	-
- Experience Judgement	(11)	0	8	0
Others				
Benefits Paid	(44)	-	(54)	-
Present Value of obligation as at year-end	507	0	477	0

* Includes expenses reclassified to capital work in progress ₹ 5 (March 31, 2022 ₹ 3)

II Change in Fair Value of Plan Assets during the year

	Year ended March 31, 2023	Year ended March 31, 2022
Plan assets at the beginning of the year	396	349
Included in profit and loss:		
Expected return on plan assets	29	22
Included in OCI:		
Actuarial Gain/(Loss) on plan assets	27	(0)
Others:		

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

	Year ended March 31, 2023	Year ended March 31, 2022
Employer's contribution	-	80
Benefits paid	(44)	(53)
Pending claim with fund manager	-	(2)
Plan assets at the end of the year	**408**	**396**

The plan assets are managed by the Gratuity Trust formed by the Group. The management of 100% of the funds is entrusted with the Life Insurance Corporation of India, HDFC Standard Life Insurance Company Ltd. and Kotak Mahindra Old Mutual Life Insurance Ltd.

III Reconciliation of Present value of Defined Benefit Obligation and Fair Value of Plan Assets

	Year ended March 31, 2023		Year ended March 31, 2022	
	Gratuity		Gratuity	
	Funded	Non-funded	Funded	Non-funded
Present Value of obligation as at year-end	507	0	477	0
Fair value of plan assets at year-end	408	-	396	-
Funded status {Surplus/(Deficit)}	(99)	0	(81)	0
Net Asset/(Liability)	(99)	0	(81)	0

IV Bifurcation of PBO at the end of the year

	Year ended March 31, 2023		Year ended March 31, 2022	
	Gratuity		Gratuity	
	Funded	Non-funded	Funded	Non-funded
1 Current Liability	1	0	6	0
2 Non-Current Liability	98	0	75	0
V Actuarial Assumptions				
1 Discount Rate	7.36%	7.36%	7.18%	7.18%
2 Mortality Table	IALM (2012-14)	IALM (2012-14)	IALM (2012-4)	IALM (2012-14)
2 Salary Escalation	7.00%	7.00%	7.00%	7.00%

VI The expected contribution for Defined Benefit Plan for the next financial year will be ₹ 75

VII Sensitivity Analysis

Gratuity	Year ended March 31, 2023		Year ended March 31, 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50 % movement)	(22)	22	(19)	19
Future salary growth (0.50 % movement)	15	(15)	20	(20)

VIII Maturity Profile of Defined Benefit Obligation

	Year ended March 31, 2023		Year ended March 31, 2022	
	Gratuity		Gratuity	
	Funded	Non-funded	Funded	Non-funded
Within the next 12 months	33	0	23	0
Between 2-5 years	174	0	121	0
Beyond 5 years	299	0	333	0

IX Major Categories of plan assets:

The plan assets are managed by the Gratuity Trust formed by the Company. The management of 100% of the funds is entrusted with the Life Insurance Corporation of India, HDFC Standard Life Insurance Company Ltd. and Kotak Mahindra Old Mutual Life Insurance Ltd. Refer Below for major categories of plan assets invested where available.

a) Life Insurance Corporation of India (LIC):- The details of investments maintained by LIC are not available and have therefore not been disclosed.

b) HDFC Standard Life Insurance Company Ltd.:- 31.30% (PY 31.44%) of the Funds are in Defensive Manager Fund and 68.69% (PY 69.33%) of the Funds are in Secure Managed Fund.

(c) Kotak Mahindra Old Mutual Life Insurance Ltd.:- 44.65% (PY 44.29%) of the Funds are in Kotak Group Bond Fund, 35.43% (PY 35.94%) of the Funds are in Kotak Group Balance Fund and 19.93% (PY 19.77%) of the Funds are in Kotak Group Short Term Bond Fund

X Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Group is exposed to various risks as follow -

A) Salary Increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

B) Investment Risk – If Plan is funded then the mismatch between assets and liabilities and actual return on assets being lower than the discount rate assumed at the last valuation date can impact the liability.

C) Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.

D) Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

E) Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

c) **LONG TERM COMPENSATED ABSENCES**

The provision for long term compensated absences covers the Group's liability for earned and sick leave, the amount of provision recognised is ₹ 149 (March 31, 2022 ₹ 143).

31 SHARE BASED PAYMENTS

Employee Stock Option Plan

The Group provides share-based payment schemes to its employees. The relevant details of the scheme are as follows:

In December 2010, the Board of Directors approved the PII ESOP 2010 Scheme in order to reward the employees for their past association and performance as well as to motivate them to contribute to the growth and profitability of the Group (including subsidiary companies) with an intent to attract and retain talent in the organization. The aforesaid scheme was duly approved by shareholders in its EGM held on January 21, 2011 and is administered through independent trust. The Compensation Committee of the Board has granted following options under PII ESOP 2010 Scheme to certain category of employees as per criteria laid down by Compensation Committee of the Board.

Key terms of the scheme	
Date of Shareholder's Approval	21-Jan-11
Total Number of Options approved	62,62,090
Vesting Requirements	Options shall vest after a lock in period of one year from the date of grant. Option shall vest in four years as per the Company's ESOP plan. (Refer vesting schedule below)
The Pricing Formula	10% discount to market price on National Stock Exchange a day prior to date of grant
Maximum term of Options granted (years)	10 years
Method of Settlement	Shares
Source of shares	Primary-Fresh equity allotment by Company to the Trust
Variation in terms of ESOP	Nil
Vesting schedule	Under the plan, participants are granted options which vests at 15%, 25%, 30%, 30% respectively each year over a period of 4 years or as defined in Grant letter.
Exercisable period	Once vested, the options remain exercisable for a period of six years
Vesting condition	Vesting shall be computed through performance evaluation method based on conditions pre-communicated to employees.

I. Option Movement during the year ended March 2023

Particulars	March 31, 2023		March 31, 2022	
	No. of Options	Wt. avg exercise Price (in ₹)	No. of Options	Wt. avg exercise Price (in ₹)
No. of Options Outstanding at the beginning of the year	55,821	604.59	89,263	599
Total number of shares arising as a result of exercise of options	13,443	626.94	33,442	509.54
Money realised by exercise of options (₹ Mn)	-	NA	-	-
Number of options Outstanding at the end of the year	42,378	597.37	55,821	604.49
Number of Options exercisable at the end of the year	42,378	597.37	55,821	604.49

II. Weighted Average remaining contractual life

Range of Exercise Price	March 31, 2023		March 31, 2022	
	No. of Options Outstanding	Weighted average contractual life (years)	No. of Options Outstanding	Weighted average contractual life (years)
75 to 150	373	0.34	373	1.34
150 to 450	-	NA	750	2.47
450 to 750	42,005	2.96	54,698	3.91

III. The weighted average market share price of options exercised during the year ended March 31, 2023 is ₹ 3,146 (March 31, 2022 is ₹ 2,930.88)

32 CAPITAL & OTHER COMMITMENT

		March 31, 2023	March 31, 2022
a.	Estimated Amount of Contracts remaining to be executed on capital account and not provided for {Net of advances ₹ 138 (March 31, 2022: ₹ 76)}	911	12
b.	Export Commitment	7,706	7,630
c.	Leases		

Operating lease commitments - As lessee

The Group leases various offices, warehouses, godown, IT equipment and vehicles. Rental contracts are typically made for fixed periods of 6 months to 9 years. The leases have varying terms, escalation clauses and renewal rights. The company has recognised Right of Use Assets for these leases except for short term and low value leases.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

Particular	March 31, 2023	March 31, 2022
Short term Lease	81	65
Low value lease	5	49
Total (refer note 23)	**86**	**114**

33 CONTINGENT LIABILITIES

		March 31, 2023	March 31, 2022
a.	Claims against the company not acknowledged as debt; *		
	(refer note below)		
-	Sales Tax	212	44
-	Excise Duty	327	327
-	Income Tax	521	585
-	Custom	126	108
-	Other matters, including claims relating to customers, labour and third parties etc.	134	97

Notes: Represents amounts as stated in Demand Order excluding interest.

*Pending resolution of the respective proceedings, it is not practicable for the Group to estimate the timings of the cash outflows, if any, in respect of the above as it is determinable only on receipt of the judgements/ decisions pending with various forums / authorities.

The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

In Group's assessment the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/ Vivekananda Vidya Mandir/284) dated March 20, 2019 and circular No. C-I/1(33)2019/Vivekanand Vidyamandir/717 dated August 28, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 and computation of liability to be done as per provision of Para 2(f) of EPF Scheme, 1952, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in these Financial Statements.

34 OPERATING SEGMENT

An operating segment is defined as a component of the entity that represents business activities from which it earns revenues and incurs expenses and for which discrete financial information is available. The operating segments are based on the Group's internal reporting structure and the manner in which operating results are reviewed by the Chief Operating Decision Maker (CODM).

The Group has evaluated the applicability of segment reporting and has concluded that since the Group is operating in the field of Agro Chemicals both in the domestic and export markets and the CODM reviews the overall performance of the agro chemicals business, accordingly the Group has one reportable business segment viz. Agro Chemicals.

I Revenue:

A. Information about product revenues:

The Group is in the business of manufacturing and distribution of Agro Chemicals. The amount of its revenue from external customers broken down by products is shown in the table below:

	March 31, 2023	March 31, 2022
Active Ingredients and Intermediates	51,346	39,718
Formulations	13,468	12,077
Others	753	1,200
TOTAL	**65,567**	**52,995**

Active Ingredients are the biologically active ingredients of a plant protection product. Formulations mean the combination of various ingredients (active ingredients, co-formulants and solvents) designed to render the product useful and effective.

B. Geographical Areas

The Group is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below (also refer note 39):

Particulars	March 31, 2023	March 31, 2022
India	15,262	14,195
Asia (other than India)	14,174	14,628
North America	27,227	16,334
Europe	6,037	3,576
Rest of the World	2,867	4,262
Total	**65,567**	**52,995**

The revenue from external customers in India as mentioned above is recognized at a point in time i.e., when control of the products is transferred to the customers. Revenue from external customers from locations except India represents contract manufacturing wherein the revenue is recognized over the period of time or at a point in time depending on the conditions as specified in the accounting policy. Refer Note 3(h).

II. The total of Non-current assets (other than financial instruments and deferred tax assets), broken down by location of the assets, is shown in the table below:

	March 31, 2023	March 31, 2022
India	27,822	25,979
Asia (other than India)	0	1
Europe	3	4
TOTAL	**27,825**	**25,984**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

35 RELATED PARTY DISCLOSURES

Related party disclosure, as required by Indian Accounting Standard-24, is as below:

a) Nature of Related Party relationship

(i) - Subsidiaries, Associates and Controlled Trust:

(a)	Solinnos Agro Sciences Private Limited.	Associate
(b)	PI Kumiai Private Limited.	Joint Venture
(c)	PI Life Science Research Limited	Subsidiary
(d)	Jivagro Limited	Subsidiary
(e)	PI Health Sciences Limited	Subsidiary
(f)	PILL Finance and Investment Limited	Subsidiary
(g)	PI Japan Co. Limited	Foreign Subsidiary
(h)	PII ESOP Trust	Controlled Trust
(i)	PI Fermachem Private Limited	Subsidiary
(j)	PI Bioferma Private Limited	Subsidiary

(ii) - Key Management Personnel (KMP) & their relatives with whom transactions have taken place:

(a) Key Management Personnel	
Mr. Mayank Singhal	Vice Chairman and Managing Director
Mr. Rajnish Sarna	Joint Managing Director (w.e.f. May 18, 2021) and Whole time Director (till May 17, 2021)
Dr. Raman Ramachandran	Managing Director & CEO (till December 31, 2021) Non-Executive – Non Independent Director (w.e.f. January 01, 2022 till June 30, 2022)
Mr. Narayan K. Seshadri	Non-Executive Independent Director till September 05, 2022 (Chairperson) Non-Executive Non Independent Director w.e.f September 06, 2022 (Chairperson)

(a) Key Management Personnel	
Mr. Pravin K. Laheri	Independent Non-Executive Director (retired on September 05, 2022)
Ms. Ramni Nirula	Independent Non-Executive Director (retired on September 05, 2022)
Mr. Arvind Singhal	Non-Executive Non Independent Director
Dr. Tanjore Soundararajan Balganesh	Independent Non-Executive Director
Ms. Lisa Jane Brown	Independent Non-Executive Director
Mr. Shobinder Duggal	Independent Non-Executive Director (w.e.f. November 12, 2021)
Ms. Pia Singh	Independent Non-Executive Director (w.e.f. August 03, 2022)
Mr. Anil Kumar Jain	Managing Director – PI Health Science Limited (w.e.f. August 22, 2022)
Mr. Parmanand Pandey	Whole time Director and CEO - Jivagro

(b) Relatives of Key Management Personnel	
Mr. Salil Singhal	Father of Mr. Mayank Singhal
Ms. Madhu Singhal	Mother of Mr. Mayank Singhal
Ms. Pooja Singhal	Sister of Mr. Mayank Singhal
Ms. Shefali Khushalani	Sister of Mr. Mayank Singhal

(iii) - Entities controlled by KMP with whom transactions have taken place:

(a) PI Foundation

(b) Singhal Foundation

(c) Tranzmute LLP

(d) Wolkem India Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

b) The following transactions were carried out with related parties in the ordinary course of business:

Nature of Transaction	Type of relation	2022-23 Transactions during the period	2022-23 Balance outstanding Dr (Cr)	2021-22 Transactions during the period	2021-22 Balance outstanding Dr (Cr)
Compensation to KMP					
-Short term employee benefits	a(ii) (a)	314		273	
-Post employment benefits		24		17	
-Commission and other benefits to non-executive/ independent directors		51		37	
Total		**389**	**(282)**	**327**	**(214)**
Other transactions					
Purchase of services	a(ii)(b)	14	(1)	14	(2)
	a(iii)(d)	1	0	-	-
	a(i)(c)	2	-	-	-
Purchase of goods	a(i)(a)	251	(73)	-	-
	a(i)(b)	679	(52)	594	(80)
	a(i)(d)	121	(69)	-	-
Sale of services	a(i)(a)	10	3	1	0
	a(i)(b)	92	-	78	-
Sale of goods	a(i)(b)	285	187	335	144
	a(i)(a)	121	69	-	-
Rent & Power cost Received	a(i)(a)	1	-	0	-
	a(i)(b)	4	-	4	-
Rent & Power cost paid	a(ii)(b)	2	-	2	-
Recovery of Dues on account of expenses incurred	a(iii)(d)	3	3	-	-
Reimbursement on account of expenses incurred	a(i)(b)	0	-	-	-
	a(iii)(c)	1	-	-	-
Donation	a(iii)(a)	-	-	0	-
	a(iii)(b)	-	-	5	-
Dividend paid	a(ii)(a)	240	-	163	-
	a(ii)(b)	292	-	194	-
Travel & Other expenditure incurred					
	a(ii)(a)	55	-	26	-
	a(ii)(b)	10	-	1	-
Contribution towards CSR Activities	a(iii)(a)	171	-	137	-
Advance given	a(ii)(b)	-	-	2	2

c) Terms and conditions of transactions with related parties

The sales and purchases / services rendered to and from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2023, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2022: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

36 DISCLOSURES REQUIRED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006

	March 31, 2023	March 31, 2022
	Amount	Amount
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end*	58	15
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0	0
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	723	455
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	4	3
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	1
Interest accrued and remaining unpaid at the end of each accounting year	1	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	-	-

*Does not include principal amount outstanding of Rs 746 (March 31, 2022 Rs 245) as the balance is not due as on the reporting period.

37 ADDITIONAL INFORMATION REQUIRED UNDER SCHEDULE III TO COMPANIES ACT 2013, OF ENTITIES CONSOLIDATED AS SUBSIDIARIES, ASSOCIATES, JOINT VENTURE AND OTHER CONTROLLED ENTITIES

March 31, 2023

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
Parent								
PI Industries Limited	95.92%	70,968	98.50%	12,114	103.38%	(396)	98.34%	11,718
Subsidiaries Indian								
PI Life Science Limited	0.52%	382	0.32%	40	0.01%	(0)	0.34%	40
PILL finance and investments Limited	0.07%	49	0.00%	0	0.00%	-	0.00%	0
Jivagro Limited	2.92%	2,157	1.42%	174	-3.39%	13	1.57%	187
PI Enzachem Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
PI Fermachem Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
PI Health Science Limited	0.19%	142	(0.83%)	(102)	0.00%	-	(0.86%)	(102)
Subsidiaries Foreign								
PI Japan Limited	0.03%	25	0.02%	2	0.00%	-	0.02%	2
Associates								
Solinnos Agro Sciences Private Limited	0.03%	22	0.12%	15	0.00%	-	0.13%	15
Joint Venture								
PI Kumiai Private Limited	0.32%	236	0.44%	53	0.00%	-	0.45%	53
Controlled Trust								
PI ESOP Trust	0.00%	0	0.01%	2	0.00%	-	0.01%	2
TOTAL	**100.00%**	**73,981**	**100.00%**	**12,298**	**100.00%**	**(383)**	**100.00%**	**11,915**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2023 March 31, 2022

(All amounts in ₹ Million, unless otherwise stated)

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
Parent								
PI Industries Limited	95.91%	60,387	97.24%	8,197	98.65%	87	97.31%	8,284
Subsidiaries Indian								
PI Life Science Limited	0.54%	342	0.44%	37	0.00%	-	0.43%	37
PILL finance and investments Limited	0.08%	49	0.04%	3	0.00%	-	0.04%	3
Jivagro Limited	3.13%	1,971	1.84%	155	1.35%	1	1.77%	151
PI Enzachem Private Limited	0.00%	0	0.00%	(0)	0.00%	-	0.00%	(0)
PI Fermachem Private Limited	0.00%	0	0.00%	(0)	0.00%	-	0.00%	(0)
Subsidiaries Foreign								
PI Japan Limited	0.04%	23	0.02%	2	0.00%	-	0.02%	2
Associates								
Solinnos Agro Sciences Private Limited	0.01%	7	0.00%	0	0.00%	-	0.00%	0
Joint Venture								
PI Kumiai Private Limited	0.29%	183	0.42%	35	0.00%	-	0.41%	35
Controlled Trust								
PI ESOP Trust	(0.00%)	(1)	0.01%	1	0.00%	-	0.01%	1
TOTAL	**100%**	**62,961**	**100%**	**8,430**	**100%**	**88**	**100%**	**8,513**

38 FINANCIAL INSTRUMENTS

1 Financial instruments – Fair values and risk management

A. Financial instruments by category

	Notes	March 31, 2023			March 31, 2022		
		FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial assets							
Non-current assets							
Investments	7(a)	55	-	-	56	-	202
Derivative financial instruments	7(g)	-	-	-	-	273	-
Other financial asset	7(g)	-	-	245	-	-	1,621
Current assets							
Investments	7(b)	8,819	-	1,024	7,331	-	1,216
Trade receivables	7(d)	-	-	7,720	-	-	8,687
Cash and cash equivalents	7(e)	-	-	8,727	-	-	3,506
Bank balances other than cash and cash equivalents	7(f)	-	-	13,702	-	-	10,596
Loans and advances	7(c)	-	-	83	-	-	30
Derivative financial instruments	7(g)	-	-	-	-	316	-
Other financial asset	7(g)	-	-	21	-	-	136
TOTAL		**8,874**	**-**	**31,522**	**7,387**	**589**	**25,994**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

	Notes	March 31, 2023			March 31, 2022		
		FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial liabilities *							
Non-current liabilities							
Borrowings	15(a)	-	-	-	-	-	1,699
Derivative financial instruments	15(c)	-	56	-			
Other financial liabilities	15(c)	-	-	298	-	-	290
Current liabilities							
Borrowings	15(a)	-	-	-	-	-	979
Trade payables	15(b)	-	-	8,380	-	-	9,242
Derivative financial instruments	15(c)	-	36	-	-	-	-
Other financial liabilities	15(c)	-	-	2,194	-	-	1,988
TOTAL		**-**	**92**	**10,872**	**-**	**-**	**14,198**

*Excluding lease liabilities measured in accordance with Ind AS 116.

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements

	Notes	March 31, 2023			March 31, 2022		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets							
Investment in equity instruments	7(a)	8	-	47	9	-	47
Investment in mutual funds	7(b)	8,819	-	-	7,331	-	-
Derivative financial instruments	7(g)	-	-	-	-	589	-
Total		**8,827**	**-**	**47**	**7,340**	**589**	**47**
Financial liabilities							
Derivative financial instruments	15(c)	-	92	-	-	-	-
Total		**-**	**92**	**-**	**-**	**-**	**-**

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

	Notes	March 31, 2023			March 31, 2022		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets							
Security deposits	7(g)	-	-	113	-	-	92
Loans and advances to related parties	**7(c)**	**-**	**-**	**7**	**-**	**-**	**2**
TOTAL		**-**	**-**	**120**	**-**	**-**	**94**
Financial liabilities							
Security deposits from contractors	15(c)	-	-	-	-	-	-
TOTAL		**-**	**-**	**3**	**-**	**-**	**4**

The fair value of cash and cash equivalents, bank balances other than Cash and cash equivalents, trade receivables, short term loans, contract assets, current financial assets, trade payables, current financial liabilities and borrowings approximate their carrying amount, largely due to the short-term nature of these instruments. Long-term debt has been contracted at floating rates of interest, which are reset at short intervals. Accordingly, the carrying value of such long-term debt approximates fair value. Fair value for security deposits (other than perpetual security deposits) has been presented in the above table. Fair value for all other non-current assets and liabilities is equivalent to the amortised cost, interest rate on them is equivalent to the market rate of interest.

Fair value hierarchy

The table shown above analyses financial instruments carried at fair value, by valuation method. The different levels have been defined below:

Level 1 - This includes financial instruments measured using quoted prices. The mutual funds are valued using closing net assets value (NAV).

Level 2 – The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There are no transfers between level 1, level 2 and level 3 during the year.

Valuation technique used to determine fair value:

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

The fair values for security deposits (assets & liabilities) were calculated based on present values of cash flows and the discount rates used were adjusted for counterparty or own credit risk. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit.

39 FINANCIAL RISK MANAGEMENT

Risk management framework

The Group is exposed to credit risk, liquidity risk and market risk. The Group's board of directors has the overall responsibility for the management of these risks and is supported by Management Advisory Committee that advises on the appropriate financial risk governance framework. The Group has risk management policies and systems in place which are reviewed regularly to reflect changes in market conditions and price risk along with the Group's activities. The Group's audit committee oversees how management monitors compliance with the financial risk management policies and procedures, and reviews the adequacy of risk management framework in relation to the risks faced by the Group.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and impact of hedge accounting in the financial statements.

I. Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligation, and arises from the operating activities primarily (trade receivables) and from its financing activities including cash and cash equivalents, deposits with banks, derivatives and other financial instruments. The carrying amount of financial assets represents the maximum credit exposure and is as follows:

Trade and other receivables and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate including the past trends on recoverability, ECL provision is considered based on the matrix defined below.

The Group has established a credit policy under which each customer is analysed individually for creditworthiness before the Group's credit terms are offered. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. Credit limits are established for each customer and reviewed periodically. Any sales order exceeding those limits require approval from the appropriate authority.

There is one customer having revenue of ₹ 27,802 (March 31, 2022 ₹ 17,435) including an amount of ₹ 19,596 and ₹ 8,206 (March 31, 2022 ₹ 8,692 and ₹ 8,743) arising from shipments to United States of America and Japan respectively.

The concentration of credit risk is limited in domestic market due to the fact that the customer base is large and unrelated. The Group's exports are mainly carried out in countries which have stable economic conditions, where the concentration is relatively higher, however the credit risk is low as the customers have good credit ratings.

The Group computes an allowance for impairment of trade receivables based on a simplified approach that represents its expected credit losses. The Group uses an allowance matrix to measure the expected credit loss of trade receivables. Loss rates are based on actual credit loss experienced over the past 3 years. These loss rates are adjusted by considering the available, reasonable and supportive forward-looking information.

The following table provides information about the exposure to credit risk and expected credit loss as at 31 March 2023 and 31 March 2022 for both trade receivables and interest & other charges recoverable from customers under the simplified approach:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

As at 31 March 2023	Not due	0-90 days	91-180 days	181-270 days	271-365 days	1-2 year	> 2 year	Others*	Total
Gross carrying amount	5,810	1,195	456	74	28	225	542	276	**8,606**
Expected loss rate	0.62%	3.22%	14.34%	40.24%	65.45%	69.15%	100.00%	0.00%	
Expected credit losses	36	38	65	30	18	156	542	-	**885**
Carrying amount (net of impairment)	**5,774**	**1,157**	**391**	**44**	**10**	**69**	**-**	**276**	**7,721**
As at 31 March 2022	**Not due**	**0-90 days**	**91-180 days**	**181-270 days**	**271-365 days**	**1-2 year**	**> 2 year**	**Others***	**Total**
Gross carrying amount	5,611	1,974	710	98	84	122	461	444	**9,504**
Expected loss rate	0.82%	2.63%	13.85%	38.78%	54.66%	61.39%	100.00%	0.00%	
Expected credit losses	46	52	98	38	46	75	461	-	**816**
Carrying amount (net of impairment)	**5,565**	**1,922**	**612**	**60**	**38**	**47**	**-**	**444**	**8,688**

* Others include refund/ return liabilities provision and related party receivable balances as ECL on the related party receivables is nil.

Reconciliation of loss allowance provision – Trade receivables and Interest and Other charges recoverable from customer

	March 31, 2023	March 31, 2022
Opening balance	816	597
Changes in loss allowance (refer note 23)	129	225
Write-off / Adjustment	(60)	(6)
Closing balance	**885**	**816**

The exposure to credit risk and expected credit loss on contract assets as at 31 March 2023 and 31 March 2022 is insignificant and hence no loss allowance has been made.

Cash and cash equivalents, deposits with banks, mutual funds and other financial instruments

Credit risk from balances with banks and other financial instruments is managed by Group in accordance with its policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the management and may be updated throughout the year. Group also invests in mutual funds based on the credit ratings, these are reviewed for safety, liquidity and yield on regular basis.

Impairment on cash and cash equivalents, deposits and other financial instruments has been measured on the 12-month expected credit loss basis and reflects the short maturities of the exposures. For financial assets which are long term in nature, the expected credit loss is insignificant.

Accordingly, based on the assessment there is no material allowance in the above financial assetss.

Derivatives

The derivatives are entered into with banks and financial institution counterparties which have low credit risk based on external credit ratings of counterparties.

Exposure to credit risk:

The gross carrying amount of financial assets, net of impairment losses recognized represents the maximum credit exposure. The maximum exposure to credit risk as at March 31, 2023 and March 31, 2022 was as follows:

	March 31, 2023	March 31, 2022
Trade receivables	7,720	8,687
Cash and cash equivalents	8,727	3,506
Bank balances other than above	13,702	10,596
Current Investments	9,843	8,547
Non- Current Investments	55	258
Loans	83	30
Other financial assets (Refer note 7(g))	266	2,346
TOTAL	**40,396**	**33,970**

II. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Due to the dynamic nature of underlying businesses, the Group maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecast of Group's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

(a) Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

	March 31, 2023	March 31, 2022
Expiring within one year		
- Fund based (Floating rate)	-	**2,830**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

(b) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

		Contractual cash flows				
March 31, 2023	**Total**	**3 months or less**	**3-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Term Loans from Banks	-	-	-	-	-	-
Interest Payment on Term Loan	-	-	-	-	-	-
Trade Payables (Due to micro and small enterprises)	804	804	-	-	-	-
Trade Payables (Other Trade Payables)	7,576	7,576	-	-	-	-
Employee payables	670	47	623	-	-	-
Unspent CSR	-	-	-	-	-	-
Security Deposits from Dealers	296	-	-	-	-	296
Security Deposits from Contractors	3	3	-	-	-	-
Unclaimed Dividends	67	67	-	-	-	-
Creditors for Capital Purchases	402	402	-	-	-	-
Lease liability	612	70	168	110	165	99
Other Payable	1,054	654	400	-	-	-
TOTAL	**11,484**	**9,623**	**1,191**	**110**	**165**	**395**

		Contractual cash flows				
March 31, 2022	**Total**	**3 months or less**	**3-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Term Loans from Banks	2,689	252	731	974	732	-
Interest Payment on Term Loan	50	9	22	16	3	-
Trade Payables (Due to micro and small enterprises)	260	260	-	-	-	-
Trade Payables (Other Trade Payables)	8,982	8,982	-	-	-	-
Employee payables	553	28	525	-	-	-
Unspent CSR	51	-	51	-	-	-
Security Deposits from Dealers	287	-	-	-	-	287
Security Deposits from Contractors	4	4	-	-	-	-
Unclaimed Dividends	5	5	-	-	-	-
Creditors for Capital Purchases	311	311	-	-	-	-
Lease liability	594	53	134	145	218	44
Other Payable	1,109	586	523	-	-	-
TOTAL	**14,895**	**10,490**	**1,986**	**1,135**	**953**	**331**

III. Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

The Group is exposed to market risk primarily related to foreign exchange rate risk (currency risk), interest rate risk and market value of its investments. Thus the Group's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

Foreign Currency risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US$ and Euro. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (₹). The Group uses forward exchange contracts to hedge its currency risk and are used exclusively for hedging purposes and not for trading and speculative purposes. These

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

forward exchange contracts, carried at fair value, may have varied maturities depending upon the primary host contract requirement and risk management strategy of the Group. The objective of the hedges is to minimise the volatility of the ₹ cash flows of highly probable forecast transactions.

The Group's risk management policy is to hedge around 50% to 100% of the net exposure with forward exchange contracts. The remaining exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short term requirements. Hedging decisions are based on rolling forex cash flow statement prepared and reviewed on a monthly basis. Such contracts are designated as cash flow hedges.

The foreign exchange forward contracts are denominated in the same currency as the highly probable future sales transaction, therefore the hedge ratio is 1:1. The Group's hedge policy allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective assessments to ensure that an economic relationship exists between the hedged item and the hedged instrument. The Group enters into hedge instruments where the critical terms of hedging instrument are aligned with terms of the hedged item.

Ineffectiveness is recognised on a cash flow hedge where the cumulative change in the value of the hedging instruments exceeds on an absolute basis the change in the value of the hedged item attributable to the hedged risk. Hedge ineffectiveness may arise due to the following:

- the critical terms of the hedging instrument and the hedged item differ (i.e. nominal amounts, timing of the forecast transaction, interest resets changes from what was originally estimated), or
- differences arise between the credit risk inherent within the hedged item and the hedging instrument.

Foreign Currency Risk Exposure -

The currency profile of financial assets and financial liabilities as at March 31, 2023 and March 31, 2022 expressed in Indian Rupees (₹) are as below:

Non derivative

Particulars	March 31, 2023				
	USD	EURO	JPY	GBP	CHF
Financial assets					
Cash and cash equivalents (EEFC Account)	2,949	-	-	-	-
Trade receivables	4,368	47	9	-	-
	7,317	**47**	**9**	**-**	**-**
Financial liabilities					
Borrowings (Term Loan)	-	-	-	-	-
Trade payables	3,347	31	9	3	0
	3,347	**31**	**9**	**3**	**0**
Particulars	**March 31, 2022**				
	USD	**EURO**	**JPY**	**GBP**	**CHF**
Financial assets					
Cash and cash equivalents (EEFC Account)	754	-	-	-	-
Trade receivables	4,996	54	9	-	-
	5,750	**54**	**9**	**-**	**-**
Financial liabilities					
Borrowings (Term Loan)	2,669	-	-	-	-
Trade payables	3,736	65	13	0	-
	6,405	**65**	**13**	**0**	**-**

The following significant exchange rates have been applied during the year.

	Year-end spot rate (₹)	
	March 31, 2023	March 31, 2022
USD	82.17	75.79
EUR	**89.44**	**84.22**
JPY (100)	**61.60**	**62.15**
GBP	**101.65**	99.46
CHF	**89.58**	82.03
AUD	**55.03**	**56.74**

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee at March 31 would have affected the measurement of financial instruments denominated in foreign currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. Impact of hedging, if any has not been considered here. A 5% increase or decrease is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign currency rate.

	Profit or loss, net of tax		Impact on other components of equity, net of tax	
Effect in ₹	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
March 31, 2023				
5% movement				
USD	(130)	130	-	-
EUR	(1)	1	-	-
JPY	(0)	0	-	-
	(131)	**131**	**-**	**-**

	Profit or loss, net of tax		Impact on other components of equity, net of tax	
Effect in ₹	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
March 31, 2022				
5% movement				
USD	(21)	21	-	-
JPY	(0)	0	-	-
GBP	(0)	0	-	-
	(21)	**21**	**-**	**-**

Interest rate risk

The Group's main interest rate risk arises from long term foreign currency and working capital borrowings at variable rates. Group's investments are primarily in fixed deposits which are short term in nature and do not expose it to interest rate risk. The Group regularly evaluates the interest rate hedging requirement to align with interest rate views and defined risk appetite, in order to ensure most cost effective interest rate risk management.

Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows:

	March 31, 2023	March 31, 2022
Fixed-rate instruments		
Financial assets	22,362	14,238
Financial liabilities	-	-
Variable-rate instruments		
Financial liabilities	-	2,669
TOTAL	**22,362**	**16,907**

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 bp in interest rates would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss		Impact on other components of equity, net of tax	
	50 bp increase	**50 bp decrease**	**50 bp increase**	**50 bp decrease**
March 31, 2023				
Variable-rate instruments	-	-	-	-
Cash flow sensitivity (net)	-	-	-	-
March 31, 2022				
Variable-rate instruments	(8.73)	8.73	-	-
Cash flow sensitivity (net)	**(8.73)**	**8.73**	**-**	**-**

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(All amounts in ₹ Million, unless otherwise stated)

IV. Price risk

The Group's exposure to price risk arises from investment in mutual funds and classified in the balance sheet as fair value through profit and loss. Mutual fund investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. However, due to very short tenor of the underlying portfolio in the liquid schemes, these do not pose any significant price risk. Group reviews these mutual fund investments based on safety, liquidity and yield on regular basis.

V. Impact of Hedging activities

(a) Disclosure of hedge accounting on financial position

	March 31, 2023					
Type of hedge and risk	No. of outstanding contracts	Nominal Value	Carrying value of hedging instrument *	Maturity date	Hedge ratio	Weighted average strike price/rate
Foreign exchange forward contracts	183	30,184	(92)	April 2023 To June 2026	1:1	US$1: : ₹ 85.03

	March 31, 2022					
Type of hedge and risk	No. of outstanding contracts	Nominal Value	Carrying value of hedging instrument *	Maturity date	Hedge ratio	Weighted average strike price/rate
Foreign exchange forward contracts	166	23,385	589	April 2022 To March 2025	1:1	US$1: : ₹ 81.48

* Refer Note No. 7(g)

(b). Disclosure of effects of hedge accounting on financial performance

	March 31, 2023			
Type of hedge	Change in value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit and loss account	Amount reclassified from cash flow hedging reserve to profit and (loss)	Line item affected in statement of profit and loss account because of this reclassification
Foreign exchange forward contracts	(736)	-	(100)	Revenue

	March 31, 2022			
Type of hedge	Change in value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit and loss account	Amount reclassified from cash flow hedging reserve to profit and (loss)	Line item affected in statement of profit and loss account because of this reclassification
Foreign exchange forward contracts	(294)	-	(418)	Revenue

(c). Movement in the cash flow hedge reserve

Effective portion of Cash flow Hedges	Amount
As at April 01, 2021	274
Add: Effective portion of gains/(losses) on cash flow hedges	(294)
Less: Amount reclassified to profit and loss account	(418)
Less: Deferred tax relating to above	43
As at March 31, 2022	355
Add: Effective portion of gains/(losses) on cash flow hedges	(736)
Less: Amount reclassified to profit and loss account	(100)
Less: Deferred tax relating to above	(222)
As at March 31, 2023	(59)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

(d) Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollars at March 31 would have affected the measurement of foreign forward exchange contract designated as cash flow hedges and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. A 5% increase or decrease is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign currency rate.

	Profit or loss, net of tax		Impact on other components of equity, net of tax	
Effect in ₹	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
March 31, 2023				
5% movement				
USD	-	-	982	(982)
March 31, 2022				
5% movement				
USD	-	-	761	(761)

40 CAPITAL MANAGEMENT

The Group’s policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The primary objective of the Group's Capital management is to maximise shareholder's value. The Group manages its capital and makes adjustment to it in light of the changes in economic and market conditions.

The Group manages capital using gearing ratio, which is total debt divided by total equity. The gearing ratio at the end of the reporting period was as follows:

		As at March 31, 2023	As at March 31, 2022
Borrowings (Non-current)		-	1,699
Borrowings (Current)		-	979
Total Debt	A	-	2,678
Total Equity	B	71,985	61,204
Debt to Equity ratio	A/B	NA	0.04

No changes were made in the objectives, policies or processes for managing capital of the Group during the current and previous year.

Also refer note 14 relating to details on dividend declared and distributed and note 15(a)(c) for details of applicable loan covenants.

41. ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged as security for borrowings are:

	As at March 31, 2023	As at March 31, 2022
Property, plant and equipment		
First charge	-	4,552
Second charge	10,419	9,938
Floating charge	54,105	47,048
TOTAL	**64,524**	**61,538**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

42. Additional regulatory information required by Schedule III of Companies Act, 2013

(i) Transactions with Struck off companies: -

As on March 31, 2023					
Name of the struck off company	Nature of transactions with struck off company	Balance outstanding as at current period	Relationship with the struck off company if any, to be disclosed	Balance outstanding as at Previous period	Relationship with the struck off company if any, to be disclosed
MILLENNIUM PROPERTIES PVT LIMITED (CIN: U70100MH2000PTC124972)	Shareholder	-	Not Applicable	-	Not Applicable

As on March 31, 2022					
Name of the struck off company	Nature of transactions with struck off company	Balance outstanding as at current period	Relationship with the struck off company if any, to be disclosed	Balance outstanding as at Previous period	Relationship with the struck off company if any, to be disclosed
United Pesticides Limited (CIN: U24219DL1996PLC076825)	Payable	-	Not Applicable	0	Not Applicable
H&L Gases Private Limited (CIN:U29220GJ2008PTC053999)	Receivable	-	Not Applicable	0	Not Applicable
Wahid Sandhar Sugar (Phagwara) Limited (CIN: U15310PB2011PLC034823)	Payable	-	Not Applicable	0	Not Applicable
Ruchin Power Systems Private Limited (CIN:U74140HR2015PTC056136)	Receivable	-	Not Applicable	-	Not Applicable
Unicom Marketing Solutions Private Limited (CIN:U74999DL2012PTC231176)	Receivable	-	Not Applicable	1	Not Applicable
Arihant Capital market Limited (CIN: U67120WB1992PLC054970)	Shareholder	75*	Not Applicable	75*	Not Applicable
Good team Investment and Trading Co Private Limited (CIN: U65993WB1981PTC033707	Shareholder	3*	Not Applicable	-*	Not Applicable

*In case of Shareholders, numbers shown above represents no. of shares of face value of Rs. 1 each held

The Group has entered into above mentioned transactions in ordinary course of business and the Group does not have any relationship with these struck off Companies.

(ii) **Details of Benami property**: No proceedings have been initiated or are pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

(iii) **Utilisation of borrowed funds and share premium**:

The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(iv) Compliance with number of layers of companies: The Group has complied with the number of layers prescribed under the Companies Act, 2013.

(v) Undisclosed income: There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2023

(All amounts in ₹ Million, unless otherwise stated)

(vi) **Details of crypto currency or virtual currency**: The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

(vii) **Valuation of PP&E, intangible asset and investment property**: The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(viii) As at March 31, 2023, the Group has not granted any loans or advances in the nature of Loans to the promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person which are repayable on demand or without specifying any terms or period of repayment (March 31, 2022: Nil). During the year, the holding Company had granted Loan of INR 690 million (March 31, 2022: INR 27 million) to PI Health Sciences Private Limited at interest rate of 9.5%, the entire amount of principal and interest is repayable in 90 days. (Also, refer note 35)

(ix) The Group has not been declared as a Wilful Defaulter by any bank or financial institution or government or any government authority.

43. The Company has raised Rs. 20,000 million during the quarter ended 30th September 2020 through Qualified Institutional Placement (QIP) of equity shares. Out of the funds received of Rs.19,750 million (net of expense Rs 250 million), the Company had invested Rs. 865 million during the FY 21-22, in one of its subsidiary PI Health Sciences Limited to commence its business operations. Balance funds of Rs. 18,885 million received pursuant to QIP remain invested in fixed deposits, liquid and other debt mutual funds. Also refer note 45.

44. **Compliance with approved scheme(s) of arrangements**: The Group has entered into a scheme of arrangement which has been accounted for in accordance with the Scheme and applicable accounting standards.

45 EVENTS AFTER REPORTING DATE

(a) The Board of Directors in the meeting held on May 18, 2023 have recommended final dividend for the year ended March 31, 2023 which is subject to the approval of shareholders in the ensuing annual general meeting.

(b) PI Health Sciences Netherlands BV was incorporated on 7th April 2023 as a wholly owned subsidiary of PI Health sciences Limited and PI Health Sciences USA LLC was incorporated on 24th April 2023 as a wholly owned subsidiary of PI Health sciences Netherlands BV.

(c) PI Health Sciences Ltd has entered into a share purchase agreement dated 27th April 2023 for the acquisition of 100% shareholding of "Therachem Research Medilab (India) Private Limited" and "Solis Pharmachem Private Limited". Further, PI Health Sciences USA, LLC has entered into an asset purchase agreement dated 27th April 2023 for the acquisition of certain identified assets of Therachem Research Medilab LLC, USA. These agreements are subject to satisfactory completion of conditions precedents as set out in the respective agreement.

(d) PI Health Sciences Netherlands BV has entered into a share purchase agreement dated 26th April 2023 for the acquisition of 100% shareholding of "Archimica SPA, Italy". With this, Archimica SPA has become a 'Step down subsidiary' of the Company w.e.f. 27th April 2023.

There is no impact of these transactions on the financial statements as at March 31, 2023.

For Price Waterhouse Chartered Accountants LLP
Firm Reg. No. 012754N/N500016

Sd/-
Sougata Mukherjee
Partner
Membership Number 057084

For and on behalf of the Board of Directors

Sd/-
Mayank Singhal
Vice Chairman & Managing Director
DIN: 00006651

Sd/-
Rajnish Sarna
Joint Managing Director
DIN: 06429468

Sd/-
Manikantan Viswanathan
Chief Financial Officer

Sd/-
Sonal Tiwari
Company Secretary

Place: Gurugram
Date: May 18, 2023

PI Industries Limited

CIN: L24211RJ1946PLC000469
Regd. Office: Udaisagar Road, Udaipur–313 001 (Rajasthan)
Corporate Office: 5th Floor, Vipul Square, B-Block, Sushant Lok, Phase–I, Gurugram–122 009

Email-ID: investor@piind.com, Website: www.piindustries.com
Phone: 0124-6790000, Fax: 0124-4081247

NOTICE OF 76th ANNUAL GENERAL MEETING

Notice is hereby given that the 76th Annual General Meeting of the members of PI Industries Limited (the 'Company') will be held on Thursday, August 17, 2023, at 10:30 a.m. (IST) through Video Conferencing ('VC')/Other Audio-Visual Means ('OAVM') (hereinafter referred to as 'e-AGM') to transact the following:

ORDINARY BUSINESS:

1. To consider and adopt the standalone and consolidated financial statements of the Company for the financial year ended March 31, 2023, together with the Board and Auditors' Reports thereon.

2. To confirm the payment of Interim Dividend of Rs. 4.5/- per equity share of face value of Re. 1/- each and to declare Final Dividend on equity shares for the financial year ended March 31, 2023.

3. To appoint a Director in place of Mr. Arvind Singhal (DIN: 00092425), who retires by rotation and being eligible, offers his candidature for re-appointment.

SPECIAL BUSINESS:

4. **Ratification of remuneration to Cost Auditor for the financial year 2023-24**

   To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to provisions of section 148(3) of the Companies Act, 2013 and Rules made thereunder, approval of the shareholders be and is hereby accorded for the ratification of remuneration of ₹330,000/- (Rupees three hundred thirty thousand only) plus applicable taxes and reimbursement of out of pocket expenses, if any, payable to M/s K.G. Goyal & Co., Cost Accountants, (Firm Regn. No.000017) appointed by the Board of Directors as Cost Auditor of the Company for the financial year 2023-24."

5. **Payment of remuneration by way of commission to Mr. Narayan K Seshadri (DIN: 00053563), Non-Executive Non-Independent Chairperson**

   To consider and if thought fit, to pass the following resolution as a Special Resolution:

   "RESOLVED THAT pursuant to Section 197, 198 and other applicable provisions of the Companies Act, 2013, if any, Rules made thereunder and Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), consent of the members of the Company be and is hereby accorded to the payment of remuneration by way of commission of ₹26,000,000/- (Rupees twenty six million only) for the financial year 2022-23 to Mr. Narayan K Seshadri (DIN: 00053563), Non-Executive Non Independent Chairperson of the Company, exceeding 50% (fifty percent) of total annual remuneration payable to all Non-Executive Directors of the Company for the said financial year."

By Order of the Board of Directors
For **PI Industries Limited**

Sd/-
Sonal Tiwari
Company Secretary
Membership No. A16638

Date: May 18, 2023
Place: Gurugram

NOTES:

i. The Ministry of Corporate Affairs ('MCA') vide its various circulars issued from time to time have permitted the holding of the Annual General Meeting through VC/OAVM till September 30, 2023. Accordingly, the 76th AGM is being conducted through VC/OAVM, hereinafter called as 'e-AGM'. KFin Technologies Ltd. ('KFin') will be providing facility for voting through remote e-voting, participation in the e-AGM through VC/OAVM facility and e-voting during the e-AGM. The procedure for participating in the meeting through VC/ OAVM is explained at note no. xxx below. The attendance of the Members attending the e-AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

ii. In terms of sections 101 and 136 of the Companies Act, 2013 (the 'Act') read with the rules made thereunder, regulation 36 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 (the 'Listing Regulations') and in terms of MCA circular dated December 28, 2022 and SEBI circular dated January 5, 2023, the listed companies may send the notice of e-AGM and the annual report, including financial statements, Board report, etc. by electronic mode in case the meeting is conducted through VC/ OAVM. Accordingly, Notice of the 76th e-AGM along with the Annual Report for FY2023 is being sent only through electronic mode to those members whose e-mail addresses are registered with the Company/ Depositories. Members may note that the Notice of the 76th e-AGM and Annual Report for FY2023 will also be available on the Company's website at https://www.piindustries.com/investor-relations/co-go/annual-reports, website of the stock exchanges viz., BSE Ltd. ('BSE') at https://www.bseindia.com/ and National Stock Exchange of India Ltd. ('NSE') at https://www.nseindia.com/ and on the website of KFin at https://evoting.kfintech.com. In this Notice, the term member(s) or shareholder(s) are used interchangeably.

iii. The deemed venue of the e-AGM shall be the Registered Office of the Company at Udaisagar Road, Udaipur, Rajasthan-313001.

iv. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being held through VC/OAVM, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the e-AGM. Hence, the Proxy Form and Attendance Slip are not annexed to this Notice.

v. Mr. Ashish K. Friends, Company Secretary in Practice (FCS-5129 and CP No.4056), Proprietor, A.K Friends & Co., Company Secretaries, Delhi, having consented to act as a scrutinizer, has been appointed as "Scrutinizer" for scrutinizing the e-voting process in a fair and transparent manner.

vi. Institutional/corporate shareholders (i.e., other than individuals/HUF, NRI, etc.) are required to send a scanned copy (pdf/jpg format) of its board or governing body's resolution/authorisation, etc., authorising their representative to attend the e-AGM on its behalf and to vote through remote e-voting. The said resolution/authorisation shall be sent to the scrutiniser by e-mail through its registered e-mail address to akfriends38@yahoo.co.in and may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format "PIIND_7431."

vii. Statement pursuant to section 102 of the Act forms a part of this Notice. The Board of Directors, having deemed it as unavoidable, proposes to seek approval of members for business stated at Item No. 4 and 5.

viii. Brief details of the director, who is proposed to be re-appointed, is annexed hereto as per requirements of regulation 36(3) of the Listing Regulations and Secretarial Standards on General Meetings.

ix. The facility of joining the e-AGM will be opened 30 minutes before the scheduled start time of the e-AGM, i.e., from 10:00 a.m. (IST) and will be available for 1,000 members on a first-come-first-served basis. This rule would however not apply to participation of shareholders holding 2% or more shareholding, promoters, institutional investors, directors, key managerial personnel, auditors, etc.

x. Institutional investors, who are members of the Company are encouraged to attend and vote at the 76th e-AGM of the Company.

xi. An interim dividend at the rate of Rs. 4.5/- per equity share of face value of Re. 1/- each i.e., 450% declared by the Board at its meeting held on February 14, 2023, has been paid to all the eligible members as on February 24, 2023, being the record date for the purpose of said interim dividend. The Board of Directors has recommended final dividend of Rs. 5.5/- per equity share of face value of Re. 1/- each i.e., 550% for the financial year ended March 31, 2023, for the approval of shareholders at this e-AGM. Pursuant to the provisions of Section 91 of the Act and Regulation 42 of the Listing Regulations, the Company has fixed Friday, August 11, 2023, as the 'Record Date' for the purpose of determining the members eligible to receive final dividend for the financial year 2022-23.

xii. Subject to the provisions of Section 126 of the Act, dividend on equity shares, if declared, at the e-AGM, will be credited/dispatched on or before September 15, 2023:

a) to all those members holding shares in physical form, as per the details provided to the Company by KFin, as on closing hours on Friday, August 11, 2023, and

b) to all those beneficial owners holding shares in electronic form, as per beneficial ownership details provided to the Company by National Securities Depository Ltd. ('NSDL') and Central Depository Services (India) Ltd. ('CDSL'), as on closing hours on Friday, August 11, 2023.

xiii. The Register of Members and Share Transfer Books of the Company will remain closed from August 12, 2023, to August 17, 2023 (both days inclusive) for the purpose of determining the names of Members eligible for dividend on equity shares, if declared at the e-AGM.

xiv. As per the Listing Regulations and pursuant to SEBI circular dated April 20, 2018, a listed entity shall use any electronic mode of payment approved by the Reserve Bank of India for making payment to the members. Accordingly, dividend, if declared will be paid through electronic mode, where the bank account details of the members are available. Where dividend is paid through electronic mode, intimation regarding such remittance will be sent separately to the members. In case where the dividend could not be paid through electronic mode, payment will be made through physical instrument such as banker's cheque or demand draft incorporating bank account details of such members.

xv. SEBI has mandated that any service request from members holding securities in physical mode shall be entertained only upon registration of the PAN, KYC details and nomination. Members are requested to submit Form ISR-1 duly filled and signed along with self-attested copy of the PAN card and such other documents as prescribed in the Form, to register or update:

a. PAN, KYC details and nomination;

b. Particulars of bank account or change in their address, for receiving dividend directly in their account through electronic mode or through physical instrument; and

c. E-mail address to receive communication through electronic means, including Annual Report and Notice and other communications.

The said Form is available on the Company's website at https://www.piindustries.com/investor-relations/sh-ce/Forms and on the website of KFin at https://ris.kfintech.com/clientservices/isc/default.aspx#isc_download_hrd. Members have an option to submit the duly filled Form ISR-1 in person at any of the branches of KFin, details of which are available at https://www.kfintech.com/contact-us/ or submit e-signed form online along with requisite documents by accessing the link https://ris.kfintech.com/clientservices/isc/default. aspx# or physical forms can be sent through post at following address:

KFin Technologies Ltd.
Unit: PI Industries Ltd.,
Selenium Building, Tower-B, Plot No 31 & 32,
Financial District, Nanakramguda, Serilingampally,
Hyderabad, Rangareddi, Telangana, India - 500 032

Kindly note that the folios wherein any one of the aforesaid document/details are not updated on or after October 01, 2023, shall be frozen by KFin. Further, the payment of dividend in respect of such frozen folios will be made only through electronic mode with effect from April 01, 2024. Members holding shares in dematerialised mode, who have not registered/updated their aforesaid details are requested to register/update the same with the respective depository participants ('DPs').

xvi. SEBI vide its circular dated January 25, 2022, has mandated that the listed companies shall henceforth issue the securities in dematerialised form only, while processing service requests such as issue of duplicate share certificates, transmission, transposition, etc. Accordingly, members who still hold shares in physical form are advised to dematerialise their holdings.

xvii. In case of joint holders, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

xviii. Inspection of documents:

In accordance with the MCA circulars, following registers along with other documents referred in the Notice will be made accessible for inspection through electronic mode and shall remain open and be accessible to any member during the continuance of the meeting.

a. Register of contracts or arrangements in which directors are interested under section 189 of the Act.

b. Register of directors and key managerial personnel and their shareholding under section 170 of the Act.

c. Certificate from Secretarial Auditor of the Company certifying that the Employee Stock Option Scheme of the Company is being implemented in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

xix. For ease of conduct, members who would like to ask questions/express their views on the items of the businesses to be transacted at the meeting can send in their questions/comments in advance at investor@piind.com or by log in to https://emeetings.kfintech.com/ and clicking on the tab 'Post your Queries' during the period starting from 09:00 AM (IST), August 13, 2023 till 05:00 PM (IST), August 16, 2023 mentioning their name, DP ID Client ID/Folio no., e-mail ID, mobile number, etc. The queries may be raised precisely and in brief to enable the Company to answer the same suitably depending on the availability of time at the meeting.

xx. During the e-AGM, the Chairperson shall, after responding to the questions raised by the members in advance, formally propose to vote on the resolutions as set out in the Notice of the e-AGM and announce the start of the casting of vote through the e-voting system. After the members participating through VC/OAVM facility, eligible and interested to cast votes, have cast the votes, the e-voting will be closed with the formal announcement of closure of the e-AGM.

xxi. The Scrutinizer shall, immediately after the conclusion of voting at the e-AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses, not in the employment of the Company and make a consolidated Scrutinizers' report of the total votes cast in favour or against, if any, within prescribed timelines and provide the same to the Chairperson of the Company or any officer of the Company authorised by him in writing, who shall countersign the same and declare the result thereof.

xxii. The results declared along with the Scrutinizer's report shall be placed on the Company's website at https://www.piindustries.com/investor-relations/sh-ce/Annual-General-Meeting and on the website of KFin at https://evoting.kfintech.com immediately after the declaration of results by the Chairperson or any officer of the Company authorized by him. The results shall also be forwarded to the stock exchange(s), where the equity shares of the Company are listed. The resolutions shall be deemed to be passed at the e-AGM of the Company.

xxiii. Pursuant to Section 72 of the Act read with SEBI circular dated March 16, 2023, members holding shares in physical form are advised to update their nomination details in the prescribed Form SH-13 or SH-14 or Form ISR-3 (Declaration for opting-out of Nomination). The forms can be downloaded from the Company's website at https://www.piindustries.com/investor-relations/sh-ce/Forms and KFin at https://ris.kfintech.com/clientservices/isc. In respect of shares held in electronic/demat form, the members may contact their respective DPs.

xxiv. In terms of Section 124(5) of the Act, interim dividend amount for FY 2016-17 remaining unclaimed for a period of 7 years shall become due for transfer in December 2023 to the Investor Education and Protection Fund ('IEPF') established by the Central Government. Further, in terms of section 124(6) of the Act, in case of such members whose dividends are unpaid for a consecutive period of 7 years, the corresponding shares shall also be transferred to the IEPF's demat account. Members who have not claimed dividends from FY 2016-17 onwards have been requested to approach the Company/KFin for claiming the same as early as possible, to avoid transfer of the relevant shares to the IEPF's demat account.

xxv. To enable compliance with TDS requirements pursuant to Finance Act, 2020, Members are requested to complete and / or update their Residential Status, PAN, Category as per the Income-tax Act, 1961 with their Depository Participants or in case shares are held in physical form, with the Company by sending email to the Company's email address at investor@piind.com. For details, members may refer to the "Communication on TDS on Dividend Distribution" appended to this e-AGM Notice.

xxvi. For more details on shareholders' matters, please refer to the chapter on 'General Shareholder Information', included in the Annual Report.

xxvii. Since the meeting will be conducted through VC/OAVM facility, the route map is not annexed to this Notice.

xxviii. In case a person becomes a member of the Company after dispatch of the Notice of the 76th e-AGM and is a member as on the cut-off date for e-voting, i.e. Friday, August 11, 2023, such person may obtain the User ID and Password from KFin by e-mail request on evoting@kfintech.com from its registered e-mail ID. In case the e-mail ID is not registered, such members may, subject to procedure listed out at note no. xv. to obtain the necessary details.

xxix. This Notice is being sent to all the members whose names appear as on July 21, 2023, in the Register of Members or in the Register of beneficial owners as received from KFin.

xxx. The instructions for members for remote e-voting and joining annual general meeting are as under:

a. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the Listing Regulations and in terms of SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 in relation to e-voting facility provided by listed entities, the members are provided with the facility to cast their vote electronically, through the e-voting services provided by KFin. Further, pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-voting facility provided by listed companies", e-voting process has been enabled to all the **individual demat account holders**, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.

b. Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-voting facility.

c. Members can cast their vote online from 09:00 AM (IST), August 13, 2023, till 05:00 PM (IST), August 16, 2023. Voting beyond the said date shall not be allowed and the remote e-voting facility shall be blocked. The voting rights of members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date, being August 11, 2023. A person who is not a member as on the cut-off date should treat this Notice for information purpose only.

d. Any person holding shares in physical form and non-individual shareholders, who acquire shares of the Company and becomes a member of the Company after sending of the Notice and holding shares as on the cut-off date, may obtain the login ID and password by sending a request from their registered email ID at evoting@kfintech.com or Toll free number 1800 309 4001. However, if he / she is already registered with KFin for remote e-voting then he /she can use his / her existing User ID and password for casting the vote.

e. In case of individual shareholders holding securities in demat mode and who acquires shares of the Company and becomes a member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under "Login method for remote e-voting and joining virtual meeting for individual shareholders holding securities in Demat mode."

f. The details of the process for remote e-voting or joining and voting in e-AGM are explained herein below:

Step 1: Login method for remote e-voting in case of individual shareholders holding shares in demat mode

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with NSDL	a. User already registered for IDeAS facility: I. Visit URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. II. Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section. III. On the new page, enter User ID and Password. After successful authentication, click on "Access to e-voting" under e-voting services. IV. Click on company name or e-voting service provider- KFin and you will be re-directed to e-voting service provider website for casting the vote during the remote e-voting period. b. User not registered for IDeAS e-Services: I. Option to register is available at : https://eservices.nsdl.com II. Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp III. Proceed with completing the required fields. IV. Follow steps given in point a. above.

Type of shareholders	Login Method
	c. Alternatively, by directly accessing the e-voting website of NSDL: I. Open URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. II. Click on the icon "Login" which is available under 'Shareholder/Member' section. III. A new screen will open. Enter your User ID (i.e. your sixteen digit Demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. IV. Post successful authentication, you will be requested to select the name of the company and the e-voting Service Provider name, i.e. KFin. V. On successful selection, you will be redirected to KFin e-voting page for casting your vote during the remote e-voting period.
Individual Shareholders holding securities in Demat mode with CDSL	a. Existing user who have opted for Easi / Easiest: I. Visit URL: www.cdslindia.com II. Click on New System Myeasi III. Login with your registered user ID and password. IV. The user will see the e-voting menu. The menu will have links of ESPs i.e. KFin e-voting portal. V. Click on e-voting service provider- KFin to cast your vote. b. User not registered for Easi/Easiest: I. Option to register is available at www.cdslindia.com II. Proceed with completing the required fields. III. Follow the steps given as above. c. Alternatively, by directly accessing the e-voting website of CDSL : I. Visit URL: www.cdslindia.com II. Provide your Demat Account Number and PAN No. III. System will authenticate user by sending OTP on registered mobile & email as recorded in the demat account. IV. After successful authentication, user will be provided links for the respective ESP, i.e KFin where the e-voting is in progress.
Individual Shareholder (holding securities in demat mode) logging through their depository participant(s)	I. Shareholders can also login using the login credentials of their demat account through their depository participant registered with NSDL /CDSL for e-voting facility. II. Once logged-in, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-voting feature. III. Click on options available against company name or e-voting service provider – KFin and you will be redirected to e-voting website of KFin for casting your vote during the remote e-voting period without any further authentication.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for individual shareholders holding securities in Demat mode who need assistance for any technical issues related to login through Depository i.e. NSDL and CDSL:

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at: 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

Step 2: Login method for KFin e-voting system in case of shareholders holding shares in physical and non- individual shareholders in demat mode

Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from KFin which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

i. Launch internet browser by typing the URL: https://evoting.kfintech.com

ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number), followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting the vote.

iii. After entering the correct details, click on "LOGIN".

iv. You will now reach password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the "EVENT" i.e., 'PI INDUSTRIES LIMITED- AGM" and click on "Submit"

vii. On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN', in which case, the shares held will not be counted under either head.

viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.

ix. You may then cast your vote by selecting an appropriate option and click on "Submit".

x. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login any number of times till you have confirmed that you have voted on the resolution(s).

xi. Corporate/institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (PDF/JPG format) of certified true copy of relevant board resolution/authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who is/are authorised to vote, to the Scrutinizer through e-mail at akfriends38@yahoo.co.in and may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format "PIIND_7431."

Step 3: Access to join e-AGM of the Company on KFin system to participate and vote at the e-AGM

i. Members will be provided with a facility to attend the AGM through VC / OAVM or view the live webcast platform provided by KFin at https://emeetings.kfintech.com/ by using the remote e-voting login credentials provided in the email received from the Company/KFin . After logging in, click on the Video Conference tab and select the EVEN- 7431 of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned above.

ii. Members will be required to grant access to the webcam to enable VC/ OAVM. Further, members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

iii. The members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the e-AGM. E-voting during the e-AGM is integrated with the VC / OAVM platform. The members may click on the voting icon displayed on the screen to cast their votes.

iv. A member can opt for only single mode of voting i.e., through remote e-voting or voting at the e-AGM. If a member casts votes by both modes, then voting done through remote e-voting shall prevail and vote at the e-AGM shall be treated as invalid. Once the vote on a resolution(s) is cast by the member, the member shall not be allowed to change it subsequently.

GENERAL INSTRUCTIONS

i. **Speaker Registration:** The members who wish to speak during the meeting may register themselves as speakers for the e-AGM to express their views. They can send an email at investor@piind.com or visit https://emeetings.kfintech.com/ and login through the user ID and password provided in the mail received from KFin. On successful login, select 'Speaker Registration' which will be open from 09:00 AM (IST) August 13, 2023 till 05:00 PM (IST) August 14, 2023. members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the e-AGM to only those members who have registered themselves, depending on the availability of time for the e-AGM.

ii. In case of any query and/or grievance, in respect of voting by electronic means, members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of https://evoting.kfintech.com (KFin Website) or contact Ms. C Shobha Anand, at shobha.anand@kfintech.com or call KFin's toll free No. 1-800-309-4001 for any further clarifications.

By Order of the Board of Directors
For **PI Industries Limited**

Sd/-
Sonal Tiwari
Company Secretary
Membership No. A16638

Date: May 18, 2023
Place: Gurugram

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No.4 Ratification of remuneration to Cost Auditor

Section 148(3) of the Companies Act, 2013 and rules made thereunder require the Board to appoint an individual, who is a cost accountant or a firm of cost accountants, as Cost Auditor on the recommendations of the Audit Committee, which shall also recommend remuneration for such Cost Auditor and such remuneration shall be considered and approved by the Board of Directors and ratified subsequently by the shareholders.

M/s K.G. Goyal & Co., Cost Accountants (Firm Registration No. 000017) have furnished a certificate regarding their eligibility for appointment as cost auditors of the Company. They have vast experience in the field of cost audit and have conducted the audit of the cost records of the Company for previous years under the provisions of the Act. The Board of Directors, at their meeting held on May 18, 2023, on recommendation of the Audit Committee, approved the re-appointment of M/s K.G. Goyal & Co., Cost Accountants, as the Cost Auditor of the Company for the financial year 2023-24 at an audit fee of ₹330,000/- (Rupees three hundred thirty thousand only) plus taxes and out of pocket expenses as may be necessary for carrying out cost audit of the Company.

The resolution contained in Item No. 4 of the Notice, accordingly, seeks members' ratification for the remuneration of cost auditor of the Company for the financial year 2023-24.

None of the Directors or Key Managerial Personnel or their relatives are directly or indirectly concerned or interested, financially or otherwise, except to the extent of their respective shareholding, if any, in the resolution as set out at Item No.4 of the Notice.

The Board recommends this ordinary resolution set out in Item No. 4 of the Notice for consideration and approval of the members.

Item No. 5 Payment of remuneration by way of commission to Mr. Narayan K Seshadri (DIN: 00053563), Non-Executive Non-Independent Chairperson

The shareholders at the 72nd Annual General Meeting held on September 09, 2019, had approved the payment of remuneration by way of commission to Non-Executive Directors of the Company not exceeding one per cent of the net profits of the Company for the relevant financial year. In line with the Remuneration Policy of the Company, the compensation to the Non-Executive Directors takes the form of commission on profits. Though shareholders have approved payment of commission up to one per cent of net profits of the Company for each year, the actual commission paid to the Non-Executive Directors is restricted to a fixed sum within the above limit. This sum is reviewed at the end of financial year after taking into consideration various factors such as business/ financial performance of the Company, activities handled /supervised, time spent for attending to the affairs and business of the Company, extent of responsibilities shouldered by each Director and evaluation of performance made by the Board. Keeping in view all these factors, a considerable amount of time has been spent by Mr. Narayan K Seshadri with exceptional contribution in the overall growth for the organization through strategic meetings held during the year evaluating various M&A opportunities, reviewing the business with leadership team, mentoring the leadership team, member of steering committees i.e., Audit Committee, Nomination and Remuneration Committee, Risk Management Committee and M&A Committee, the duties and responsibilities of Mr. Seshadri have increased manifold. Accordingly, a higher amount of commission has been proposed for Mr. Narayan K Seshadri, Chairperson for devoting his valuable time to the organisation. Accordingly, the Board of Directors on the recommendation(s) of Nomination & Remuneration Committee has approved a higher amount of commission to be paid to him in the capacity of Non-Executive Chairperson as compared to other Non-Executive Directors.

Under his Chairpersonship, the Company's revenue has grown from Rs. 28,409 Million to Rs. 62,704 Million in a span of 5 years. Pursuant to Regulation 17(6) (ca) of Listing Regulations, the approval of shareholders by special resolution is required to be obtained every year, in which the annual remuneration payable to a single Non-Executive Director exceeds fifty per cent of the total annual remuneration payable to all Non-Executive Directors.

Considering the role that he is expected to play, the Board believes that the remuneration payable to Mr. Narayan K Seshadri commensurate with the efforts and the time spent by him on behalf of the Company. Accordingly, the Board has recommended remuneration be way of commission payable to Mr. Narayan K Seshadri for the year ended March 31, 2023, in excess of fifty per cent of the total annual remuneration payable to all Non-Executive Directors of the Company and accordingly recommends passing of resolution at item No. 5 for approval of the shareholders as a Special Resolution.

Except Mr. Narayan K. Seshadri, none of the Directors, Key Managerial Personnel or their relatives are directly or indirectly concerned or interested, financially or otherwise, except to the extent of their respective shareholding, if any, in the resolution as set out at Item No.5 of the Notice.

By Order of the Board of Directors
For **PI Industries Limited**

Sd/-
Sonal Tiwari
Company Secretary
Membership No. A16638

Date: May 18, 2023
Place: Gurugram

Annexure- A

Disclosure relating to Directors pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of the Secretarial Standards on General Meetings:

Name of the Director	Mr. Arvind Singhal
DIN	00092425
Age	75 years
Date of Birth	November 29, 1947
Qualification	M.Com
Experience	Over 45 years of experience
Brief resume and nature of their expertise in specific functional areas	Mr. Arvind Singhal, an entrepreneur has a diverse industry experience of over four decades across mining & mineral processing, agrochemicals & specialised chemicals, electronic metering system etc. Having served as the Joint Managing Director of PI Industries for 22 years, he stepped down in December 2001. Relinquishing the executive position, he continued to serve PI Industries as an Independent Director till December 2006. Besides being the Managing Director of Wolkem India Ltd., he also serves on the Board of Secure Meters Ltd., Mynores India Pvt. Ltd., Skill Council for Mining Sector and Federation of India Mineral Industries. Mr. Arvind Singhal has been actively associated with business chambers like CII, FICCI and ASSOCHAM etc. He serves as the Patron of Udaipur Chamber of Commerce & Industry and is a Member of Federation of Mining Associations of Rajasthan. He is the Chairperson of Standing Committee for Non-Metallic Minerals and Industries of FIMI.
Terms and condition of appointment / Re-appointment	Appointed as a Director liable to retire by rotation
Last drawn remuneration	The details of remuneration paid to him for FY 22-2023 is provided in the annual return. The same can be accessed at https://www.piindustries.com/investor-relations/co-go/annual-return
Remuneration proposed to be paid	He will be eligible for payment of sitting fee and commission, as approved by the Board of directors in accordance with the Remuneration Policy of the Company.
Date of first appointment on the Board	October 05, 2016
Shareholding in the Company as on 31.03.2023	Nil
Disclosure of inter-se relationship with other Directors, Manager and other Key Managerial Personnel	Mr. Arvind Singhal is related to Mr. Mayank Singhal as uncle.
No. of Meetings of Board attended during the year	6
Names of the listed Companies in which person holds Directorship	PI Industries Limited
Names of listed companies in which person ceased to be a Director in past three years	None
Chairpersonship/ committee membership of listed companies	None

COMMUNICATION ON TAX DEDUCTION AT SOURCE (TDS) ON DIVIDEND DISTRIBUTION

As you may be aware w.e.f. 1st April 2020, Dividend Distribution Tax u/s 115-O of the Income-tax Act, 1961 ("the IT Act") payable by domestic companies on declaration of dividend has been abolished. Pursuant to this amendment and certain consequential amendments brought vide Finance Act, 2020, the Company would be under an obligation to deduct tax at source ("TDS") in accordance with the provisions of the IT Act, from dividend distributed on or after 1st April 2020.

Please take note of the below TDS provisions and information/document requirements for each shareholder:

Section 1: For all members - Details that should be completed and /or updated, as applicable

All members are requested to ensure that the below details are completed and/or updated, as applicable, in their respective demat account/s maintained with the Depository Participant/s; or in case of shares held in physical form, with the Company, by August 14, 2023. Please note that these details as available on book closure date in the Register of Members/ Register of Beneficial Ownership will be relied upon by the Company, for the purpose of complying with the applicable TDS provisions:

i. Valid Permanent Account Number (PAN);

ii. Residential status as per the Act i.e., Resident or Non-Resident for FY2023-24;

iii. Category of the member:

- o Mutual Fund
- o Insurance Company
- o Alternate Investment Fund (AIF) Category I and II
- o AIF Category III
- o Government (Central/State Government)
- o Foreign Portfolio Investor (FPI) /Foreign Institutional Investor (FII): Foreign Company
- o FPI/FII: Others (being Individual, Firm, Trust, AJP, etc.)
- o Individual
- o Hindu Undivided Family (HUF)
- o Firm
- o Limited Liability Partnership (LLP)
- o Association of Persons (AOP), Body of individuals (BOI) or Artificial Juridical Person (AJP)
- o Trust
- o Domestic company
- o Foreign company;

iv. Email Address;

v. Address with PIN code;

vi. Mobile number;

vii. Bank account details;

Following additional documents are to be submitted by the shareholders holding shares in physical form:

viii. Scanned copy of cancelled cheque leaf of the above-mentioned bank account (In case, the cancelled cheque leaf does not bear your name, please attach a copy of the bank pass-book statement, duly self-attested); and

ix. Self-attested copy of your PAN card.

Section 2: TDS provisions and documents required, as applicable for relevant category of Members

Members are requested to take note of the TDS rates and document/s, if any, required to be submitted to the Company by August 14, 2023, for their respective category, in order to comply with the applicable TDS provisions.

A. For resident members:

i. **Mutual Funds:** No TDS is required to be deducted as per section 196(iv) of the IT Act subject to specified conditions. Self-attested copy of valid SEBI registration certificate needs to be submitted.

ii. **Insurance companies:** No TDS is required to be deducted as per section 194 of the IT Act subject to specified conditions. Self-attested copy of valid IRDA registration certificate needs to be submitted.

iii. **Category I and II Alternative Investment Fund:** No TDS is required to be deducted as per section 197A (1F) of the IT Act subject to specified conditions. Self-attested copy of valid SEBI registration certificate needs to be submitted.

iv. **Recognised Provident funds:** No TDS is required to be deducted as per Circular No.18/2017 subject to specified conditions. Self-attested copy of a valid order from Commissioner under Rule 3 of Part A of Fourth Schedule to the IT Act, or Self-attested valid documentary evidence (e.g., relevant copy of registration, notification, order, etc.) in support of the provident fund being established under a scheme framed under the Employees' Provident Funds Act, 1952 needs to be submitted.

v. **Approved Superannuation fund:** No TDS is required to be deducted as per Circular No.18/2017 subject to specified conditions. Self-attested copy of valid approval granted by Commissioner under Rule 2 of Part B of Fourth Schedule to the IT Act needs to be submitted.

vi. **Approved Gratuity Fund:** No TDS is required to be deducted as per Circular No.18/2017 subject to specified conditions. Self-attested copy of valid approval granted by Commissioner under Rule 2 of Part C of Fourth Schedule to the IT Act needs to be submitted.

vii. **National Pension Scheme:** No TDS is required to be deducted as per Section 197A (1E) of the IT Act.

viii. **Government (Central/State):** No TDS is required to be deducted as per Section 196(i) of the IT Act.

ix. **Any other entity entitled to exemption from TDS:** Valid self-attested documentary evidence (e.g., relevant copy of registration, notification, order, etc.) in support of the entity being entitled to exemption from TDS needs to be submitted.

x. Other resident members:

a. TDS is required to be deducted at the rate of 10% under u/s 194 of the IT Act.

b. No TDS is required to be deducted, if aggregate dividend distributed or likely to be distributed during the financial year to individual shareholder does not exceed Rs.5000/.

c. Normal dividend/s declared in the preceding financial year 2022-23 would be considered as the basis to determine applicability of the said threshold for the entire financial year.

d. No TDS is required to be deducted on furnishing of valid Form 15G (for individuals, with no tax liability on total income and income not exceeding maximum amount which is not chargeable to tax) or Form 15H (for individual above the age of 60 years with no tax liability on total income).

e. TDS is required to be deducted at the rate of 20% u/s 206AA of the IT Act, if valid PAN of the shareholder is not available. TDS is required to be deducted at the rate prescribed in the lower tax withholding certificate issued u/s 197 of the Act, if such valid certificate is provided.

TDS to be deducted at higher rate in case of non-linkage of PAN with Aadhaar

As per Section 139AA of the Act, every person who has been allotted a PAN and who is eligible to obtain Aadhaar, shall be required to link the PAN with Aadhaar. In case of failure to comply to this, the PAN allotted shall be deemed to be invalid/inoperative and tax shall be deducted at the rate of 20% as per the provisions of section 206AA of the Act. The Company will be using online functionality of the Income-tax department for the above purpose and no claim shall lie against the Company for such taxes deduction. As of now CBDT vide its circular 03/2023 dated March 28, 2023, has extended the time limit for linking PAN with Aadhaar up to June 30, 2023. If you have not linked your PAN with Aadhaar, kindly do so, to avoid higher tax deduction.

B. For non-resident members:

i. **FPI and FII:** TDS is required to be deducted at the rate of 20% (plus applicable surcharge and cess) u/s 196D of the IT Act.

ii. **Any entity entitled to exemption from TDS:** Valid self-attested documentary evidence (e.g., relevant copy of registration, notification, order, etc. by Indian tax authorities) in support of the entity being entitled to exemption from TDS needs to be submitted.

iii. Other non-resident members:

a) TDS is required to be deducted at the rate of 20% (plus applicable surcharge and cess) u/s 195 of the IT Act.

b) Shareholder may be entitled to avail lower TDS rate as per Double Tax Avoidance Treaty (DTAA) between India and the country of tax residence of the shareholder, on furnishing the below specified documents:

1. Self-attested copy of PAN;
2. Self-attested copy of valid Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is a resident;
3. Self-declaration in Form 10F; and
4. Self-declaration on letterhead of having no Permanent Establishment in India, Beneficial ownership of shares and eligibility to claim treaty benefits.

c) TDS is required to be deducted at the rate prescribed in valid lower tax withholding certificate issued u/s 197 of the IT Act, if such valid certificate is provided.

d) TDS is required to be deducted at the rates specified u/s 206AB of the IT Act, if dividend is payable to "specified person" and tax shall be deducted at higher of the following rates namely:

- At twice the rate specified in the relevant provision of the Act
- At twice the rate or rates in force; or
- At the rate of five percent

For the purpose of section 206AB, the term "specified person" means:

"A person who has not furnished the return of income for the assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be deducted, for which the time limit for furnishing the return of income under sub-section (1) of section 139 has expired and the aggregate of tax deducted at source and tax collected at source in his case is rupees fifty thousand or more in the said previous year.

Provided that the term specified person shall not include a non-resident who does not have a permanent establishment in India."

If the provisions of section 206AA is applicable to a specified person, in addition to the provision of this section, the tax shall be deducted at higher of the two rates provided in this section and in section 206AA.

Details and / or documents as mentioned above in Section 1 and Section 2, as applicable to the member, need to be sent, duly completed and signed, through registered email address of the member with PAN being mentioned in the subject of the email to reach investor@piind.com by August 14, 2023. Please note that no communication in this regard, shall be accepted post August 14, 2023.

Section 3: Other general information for the members

i. For all self-attested documents, members must mention on the document "certified true copy of the original". For all documents being sent / accepted by email, the member undertakes to send the original document/s on the request by the Company.

ii. In case, the dividend income is assessable to tax in the hands of a person other than the registered member as on the book closure date, the registered member is required to furnish a declaration containing the name, address, PAN of the person to whom TDS credit is to be given and reasons for giving credit to such person.

iii. TDS deduction certificate will be sent to the members' registered email address in due course.

iv. Surcharge rates applicable for financial year 2023-24 for non-residents:

a. Individual, HUF, AOP, BOI, AJP, Trust

Dividend Income	Rate
Upto Rs. 50 lakhs	NIL
Income exceeds Rs. 50 lakhs but does not exceed Rs. 1 crore	10%
Income exceeds Rs. 1 crore	15%

b. Co-operative society or Firm, registered under applicable Indian law

Aggregate Income	Rate
Income exceeds Rs. 1 crore	12%

c. Foreign company

Dividend Income	Rate
Income exceeds Rs. 1 crore but does not exceed Rs.10 crores	2%
Income exceeds Rs. 10 crore	5%

v. Normal dividend/s declared in the preceding financial year 2022-23 would be considered as the basis to determine applicability of the surcharge rate.

vi. Health and Education Cess of 4% is applicable for financial year 2023-24 for non-residents.

vii. Application of TDS rate is subject to necessary due diligence and verification by the Company of the shareholder details as available in Register of Members on the Book Closure Date, documents, information available in public domain, etc. In case of ambiguous, incomplete or conflicting information, or the valid information/documents not being provided, the Company will arrange to deduct tax at the maximum applicable rate.

viii. In case TDS is deducted at a higher rate, an option is still available with the shareholder to file the return of income and claim an appropriate refund, if eligible.

ix. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by the member/s, such member/s will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any appellate proceedings.

Note: Above communication on TDS sets out the provisions of law in a summary manner only and does not purport to be a complete analysis or listing of all potential tax consequences. Shareholders should consult with their own tax advisors for the tax provisions applicable to their particular circumstances.

(Refer Section 2(II)(iii)(b)(4) of above Communication on TDS on Dividend Distribution)

Kindly refer to the below links to download the format of any of the above-mentioned forms or declarations:

Click here to download - Form 15H

Click here to download - Form 15G

Click here to download - Form 10F

Click here to download - Self declaration (Non-resident shareholder)

Inspired by Science

Annexures

GHG Calculation Methodology

The GHG calculation methodology is derived from the IPCC guidelines and GRI 305 principles. The GHG calculations are based on the consumption of fuels and electricity at different manufacturing sites. We maintain data related to fuel and electricity consumption through invoices from our vendors.

We are including the GHG emissions based on full equity ownership and operations control of the PI Industries. The sources of emissions are as follows:

- Scope 1- Carbon containing fuels in stationary equipment
- Scope 2- Electricity used at manufacturing sites and offices

The base year has been taken as 2020-21, since we started calculating GHG emissions along with our first Sustainability report in the year.

The emission factors have been leveraged from recognized sources such as Intergovernmental Panel on Climate Change (IPCC) guidelines, national emission inventories like the Central Electricity Authority (CEA), and emission factors for the different types of fuels and electricity were taken from these databases. The data for the consumption of fuels and electricity comes from invoicing from our vendors at different manufacturing plants and offices. Thereafter, a contextualized GHG calculation tool was created using IPCC and CEA databases.

We verify our methodology internally and externally for accuracy and completeness. This also helps us in staying updated with the latest emission factors databases and calculation methodologies and refine our GHG calculation processes to improve accuracy and reflect best practices.

GRI Content index

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	2-3 Reporting period, frequency and contact point	Pg. 12, 200	
	2-4 Restatements of information	No restatements	
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	3-2 List of material topics	Pg. 58, 203	
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GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Pg. 94	
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	201-3 Defined benefit plan obligations and other retirement plans	Pg. 211	
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	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations		

GRI STANDARD	DISCLOSURE	Section in the IR and Page Number	Remarks & Omissions
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Pg. 141, 221	
	305-2 Energy indirect (Scope 2) GHG emissions	Pg. 141, 221	
	305-3 Other indirect (Scope 3) GHG emissions		
	305-4 GHG emissions intensity	Pg. 142, 221	
	305-5 Reduction of GHG emissions	Pg. 140	
	305-6 Emissions of ozone-depleting substances (ODS)		
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Pg. 141	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts		
	306-2 Management of significant waste-related impacts	Pg. 142-143	
	306-3 Waste generated	Pg. 221	
	306-4 Waste diverted from disposal		
	306-5 Waste directed to disposal	Pg. 142	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Pg. 130, 208	
	308-2 Negative environmental impacts in the supply chain and actions taken		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Pg. 109, 122	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Pg. 112	
	401-3 Parental leave	Pg. 112, 210	
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes		
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Pg. 117	
	403-2 Hazard identification, risk assessment, and incident investigation	Pg. 117	
	403-3 Occupational health services	Pg. 117	
	403-4 Worker participation, consultation, and communication on occupational health and safety		
	403-5 Worker training on occupational health and safety	Pg. 118, 212	
	403-6 Promotion of worker health	Pg. 117	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Pg. 117	
	403-8 Workers covered by an occupational health and safety management system	Pg. 118, 213	
	403-9 Work-related injuries	Pg. 118, 213	
	403-10 Work-related ill health		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Pg. 119-120, 212	
	404-2 Programs for upgrading employee skills and transition assistance programs	Pg. 110, 113-114	
	404-3 Percentage of employees receiving regular performance and career development reviews	Pg. 117, 212	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Pg. 77, 108-123	
	405-2 Ratio of basic salary and remuneration of women to men	Pg. 120	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Pg. 218	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Pg. 118	
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Pg. 116, 218	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Pg. 116, 218	

GRI STANDARD	DISCLOSURE	Section in the IR and Page Number	Remarks & Omissions
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures		
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples		
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Pg. 127, 129, 131	
	413-2 Operations with significant actual and potential negative impacts on local communities		
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Pg. 215	
	414-2 Negative social impacts in the supply chain and actions taken		
GRI 415: Public Policy 2016	415-1 Political contributions	Pg. 126	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories		
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		No incidents of non-compliance reported
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Pg. 227	
	417-2 Incidents of non-compliance concerning product and service information and labeling		
	417-3 Incidents of non-compliance concerning marketing communications		
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Pg. 227, 228	

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