

PIIL:SEC:NSE/BSE:44:2022-23
August 12, 2022

BSE Limited Corporate Relationship Deptt. PJ Towers, 25 th Floor, Dalal Street, Mumbai – 400 001 Code No.523642	National Stock Exchange of India Ltd. Exchange Plaza, Plot No.C/1, G-Block Bandra Kurla Complex, Bandra (East), Mumbai – 400 051. Code No. PIIND
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Dear Sir,

Sub: Annual Report for the financial year 2021-22 and Notice convening 75th Annual General Meeting.

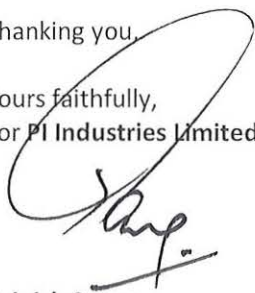
Pursuant to the Regulation 30 and Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we submit herewith Annual Report of the Company for the financial year 2021-22 along with Notice convening the 75th Annual General Meeting (AGM) of the Company to be held on Saturday, September 3, 2022 at 10.30 a.m. (IST) through Video Conference (VC) / Other Audio Visual Means (OAVM), in accordance with the Circular No.14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020, Circular No.20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 19/2021 dated December 08, 2021, Circular No. 21/2021 dated December 14, 2021 and Circular No.2/2022 dated May 05, 2022 (collectively referred to as "MCA Circulars") and Circular No.SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated May 12, 2020 and Circular No.SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 issued by the Securities and Exchange Board of India ("SEBI Circulars").

The Annual Report and Notice are also available on the Company's website at <https://www.piindustries.com/investor-relations/Financials/annual-reports>

This is for the information of the exchange and the members.

Thanking you,

Yours faithfully,
For PI Industries Limited


Rajnish Sarna
Joint Managing Director



Encl: As above



Reimagining a **HEALTHIER** Planet

Sustainable
Value Creation for
People and Planet



Inside this REPORT

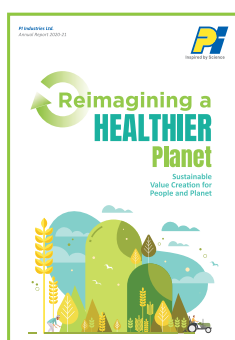


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On the cover

The Report cover idea is a visual rendition of a more holistic world where people live sustainably. Shared value opens up many new needs to meet, new products to offer, new customers to serve and new ways to configure the value chain. In the process, it will create a sustainable world order while giving the Company a competitive advantage.

The modern, graphical treatment of the cover in a multitude of green hues and soothing blues brings a refreshing feel against a crisp white backdrop. It conveys the thought of a greener, healthier future in a balanced way. It pivots on the central concept of 'refresh' and aligns with our purpose of 'reimagining' a healthier planet when we contribute to and live/work in harmony with nature. The artistic route captures the science of nature and underscores the importance of the symbiotic relationship between people and the planet.

Forward looking statements

Certain statements in this annual report describing the Company's objectives, expectations or forecasts, may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed or implied. Important factors that could influence the Company's operations include among other economic conditions affecting demand, supply and price conditions in the domestic and overseas markets in which the Company operates, climatic conditions, changes in the Government regulations, tax laws and other statutes, litigation and industrial relations and incidental.






Reimagining a **HEALTHIER** Planet

A key success attribute of over seven-decade rich business journey is the consistency in reinventing ourselves. With a view to constantly carve a future ready PI, our 75th anniversary in FY 2021-22 presented a perfect opportunity to reinvent once again, this time with a longer shot of the next 75 years. We found ourselves headed towards the global life sciences realm at a time when the world is striving to find a harmonious path to growth.

Taking pride in our inherent alignment with sustainable business practices, and buoyed by a remarkable intellectual progress towards greener chemistry, we are rising to play an instrumental role in championing the ESG agenda of the global life sciences industry. An onerous responsibility like this needed a complete reinvention of our guiding corporate ideology – purpose, vision, values and capabilities.

Keeping harmony – between the planet and its inhabitants, the Company and its stakeholders – at the crux of our new ideology, we adopted a comprehensive PI Compass which sets direction for our future. At PI, our ambition is to embark on rapid, differentiated, organic and inorganic growth which is resilient by being ahead scientifically and technologically. We recognise the need to make deep changes to align with enormous and pervasive technological changes all around and the challenges our Planet Earth faces. By setting an audacious Vision for ourselves to lead with science, technology and human ingenuity, we aim to create transformative solutions in life sciences.

We are delighted to present all this newness at PI as the central flavour of this Annual Report 2021-22. At PI, we are ushering into a promising future with our new purpose of **Reimagining a healthier planet!**



**Keeping harmony –
between the planet
and its inhabitants,
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We are PI

Sustainable Value Creation for People and Planet

Founded in 1946, we, PI Industries, envision to be at the forefront of science led opportunities by delivering innovative solutions. On our way to emerge as an integrated life sciences Company of a global stature, we are driven by our core values - Courageous, Curious, Creative and Caring. ESG anchored in every sphere of our business, our sustainable stakeholder value creation remains powered by our purpose – *Reimagining a healthier planet.*





PURPOSE

Reimagining a healthier planet



VISION

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



CURIOS

- Question conventional wisdom
- Be open minded and adaptable
- 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

SPIKY CAPABILITIES

PARTNER CENTRIC

First to identify and deliver on latent needs of our customers and partners

SCIENCE & TECHNOLOGY DRIVEN

Sustainable solutions by early adoption of cutting edge sciences/technologies

DIGITAL EDGE

Integrated digital solutions to gain competitive advantage

PEOPLE FIRST

Best opportunities for employees to learn and grow

ESG ANCHORED

ESG as a way of life



Company Profile

We are PI Industries Ltd.

Founded in 1946, PI Industries Ltd. (BSE: 523642, NSE: PIIND, ISIN ID: INE603J01030) is one of India's leading Agrisciences and Fine Chemical companies with a unique business model of providing innovative farm solutions to farmers. Simultaneously, we partner with global innovator companies across the value chain - Custom Synthesis to manufacturing to co-marketing & distribution of their products.

Powered by deep R&D expertise, PI has a significant footprint in the Indian crop protection market and a strong legacy of market-leading brands that bring value-added offerings to over 3 million farmers and retailers in India and globally.

With a strong belief in technology and IP protection as the key pillar, PI has been investing ahead of time and has established a large-scale manufacturing infrastructure focused on Industry 4.0 standards. We have built robust capabilities in each part of the value chain- process synthesis, scaling up, and commercialisation. With strength of over 3,000 employees, the Company currently operates five formulation facilities and 15 multipurpose plants under its four manufacturing locations. These state-of-art facilities have integrated process development teams with in-house engineering capabilities.

PI's world-class R&D facility at Udaipur has a dedicated team of 350+ scientists and researchers and includes advanced research and development labs, kilo plants, and pilot plants with NABL certification. Founded on seven decades of trust and customer-centricity, our teams have a proven track record of delivering transformative solutions, timely product supplies, and cost efficiencies and have established deep symbiotic relationships with over 20 global innovators.

As we enter a new orbit of ESG-driven growth, we continue to lead with science and research to develop innovative products that benefit farmers and our global partners, and bring about long-term sustainable transformation. We are increasingly leveraging technology and redefining our purpose to address the challenges of the future in a more holistic manner. PI Industries is broadening its horizons across chemistry platforms to address the challenges of food security, nutrition, and latent health needs of the planet to create shared value for all and *reimagine a healthier planet.*



₹ **50,769 mn** Revenues in FY 2021-22

3000+ employees

400+ scientists

15 Multi Purpose Plants (MPPs)

130+ patents filed

20+ Global innovator partners

over **3 mn** digitally connected farmers

Our unwavering focus on people and the planet is at the heart of our organisation. We reimagine how we do what we do to continuously improve the quality of Food and Health systems while keeping our business pursuits sustainable in every aspect.



2020 onwards...

2020

- Successful completion of QIP- ₹ 20,000 Mn
- New manufacturing unit - MPP 11 - commissioned
- Established new subsidiaries PI Bioferma Private Limited (Formerly known as PI Enzachem Private Limited) and PI Fermachem Private Limited
- Successful foray into pharmaceuticals
- Celebrated centennial year of Late Shri P P Singhal

Our evolution timeline

2018

- 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

1990-2010

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

2004

- Established subsidiary as PI Life Science Research Ltd.
- Started new representative office in Shanghai, China

2007

- Established subsidiary as PI Japan Co.Ltd.

2010

- Divested Polymer Compounding Business

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)

2022

- Defined PI Compass comprising Purpose, Vision, Spiky Capabilities and Values
- Piloted drone application in Domestic Agri market



Reimagining a healthier planet

2015

- New Formulation site set up at Panoli, Gujarat

2016

- Solinnos Agro Sciences - a JV with Mitsui Chemicals Agro, Japan
- 2016 - New R&D Centre at Udaipur
- 2016 - 2 MPPs commissioned at Jambusar, Gujarat

2017

- PI Kumiai – a JV with Kumiai Chemicals, Japan

2011-19

2011

- Obtained GLP Certification
- Company's shares got listed at National Stock Exchange (NSE)

2012

- Established new Manufacturing site at Jambusar, Gujarat

2014

- Established Office in Germany

1947-90

1961

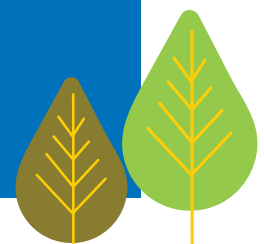
Started AgChem Formulation and Marketing

1976

Started first Technical Manufacturing Plant

1946

Founded as Mewar Oil & General Mills Ltd



Our Value Proposition

Continuing the Growth Momentum and taking Confident steps into Future



Favourable Operating Landscape

- Global specialty chemicals sector poised to grow at 4.7% CAGR over the next 6 years
- Record food inflation, coupled with supply chain constraints, is expected to drive healthy agrochemicals consumption
- With accelerated adoption of 'China+1' strategy by global majors, Indian specialty chemicals sector is pegged to witness faster growth
- PI, as India's oldest and largest CSM player in global markets, is rapidly broadening its product offerings across agrochemicals, electronic chemicals and pharma space



Formidable Customer Value Proposition

- Deep CSM relationships with reputed global innovators, fortified with flawless deliveries inspite of pandemic-related restrictions
- Unmatched expertise in complex chemistries thereby making PI the numero uno choice for global majors
- Significant R&D investments in recent years entering payback phase with numerous breakthroughs and a healthy pipeline across processes, products and technology platforms
- Vibrant bouquet of market leading crop protection brands, supported with a strong marketing network of over 10,000 distributors and more than 1,00,000 retailers enabling an enviable pan-India reach of over 3 million farmers



Diverse Specialty Chemicals Portfolio

- Strong portfolio of products with market leading brands in the domestic space and trusted CSM exports operations built over multiple decades
- Steadily transcending the traditional agchem space with successful foray into electronic chemicals and pharma
- Strategic strengthening of domestic operations with farm mechanisation services
- Dedicated 'horticulture only' offerings under Jivagro brand, a first and unique pan India offering

Consistent Value Accretion

Revenue (FY18- FY22) CAGR of

23.1%

EBITDA (FY18- FY22) CAGR of

23.4%

PAT (FY18- FY22) CAGR of

23.1%

Networth CAGR (FY18-FY22) of

33.5%

Surplus Cash net of debt

₹ 21,642 million
as on March 31, 2022

Net sales to trade working capital ratio of

4.13

as on March 31, 2022

Strong Reputation Built on the Foundation of Credibility, Transparency and High-quality Products



Science and Technology Led

For over seven decades, Research & Development has been a key strength and enabler of PI's strong growth trajectory. Focused on complex chemistry solutions, a dedicated team of 400+ scientists and engineers is engaged in process technology, research biological evaluation, and scale-up. Working out of our state-of-the-art R&D facility spread over an 11-acre campus in Udaipur, the pioneering work of our scientists is constantly driving product excellence and innovation. With over 130 patents filed, PI remains at the forefront of innovation, latest technologies to deliver the highest value to customers.

9 new molecules commercialised

>40 products at different development stages

2 additional Multi-Purpose Plants (MPPs) fully commissioned

Over **35%** new business enquiries from non agchem space

15+ products at different stages of development and registration

13 new products in horticulture launched

5 innovative products geared up for launch in FY23

3 specialty fungicide focused on horticulture and rice launched

1 new insecticide for rice launched

Our teams are engaged in discovering better and more efficient pathways to commercialise molecules for a global arena. Innovators across the world acknowledge this, with number of enquiries from existing and potential clients rising markedly.





Financial Highlights

Key Figures

(₹ Million)

Year Ended March 31	FY 2021-22	FY 2020-21	FY 2019-20	FY 2018-19	FY 2017-18
Revenue from operations*	50,769	43,611	33,068	28,409	23,087
EBITDA	11,113	9,848	6,977	5,731	4,920
Profit Before Tax	10,005	9,017	5,944	5,346	4,636
PAT	8,197	7,105	4,423	4,077	3,665
Net Fixed Assets	25,371	24,053	19,373	13,667	10,856
Cash Profit	10,181	8,825	5,755	5,003	4,491
EBITDA Margins (%)	21.8	22.6	21.1	20.2	21.3
PAT Margins (%)	16.1	16.3	13.4	14.4	15.9
ROE (%)	14.5	18.0	17.1	17.9	19.2
ROCE (%)	20.8#	23.0#	19.8	23.3	23.5
D/E Ratio (In times)	0.04	0.06	0.20	0.02	0.04
EPS (Face Value @ ₹1)(In ₹)	54.03	47.98	32.0	29.6	26.6
DPS (Face Value @ ₹1)(In ₹)	6.0	5.0	4.0	4.0	4.0

#excluding QIP proceeds

Balance Sheet Summary

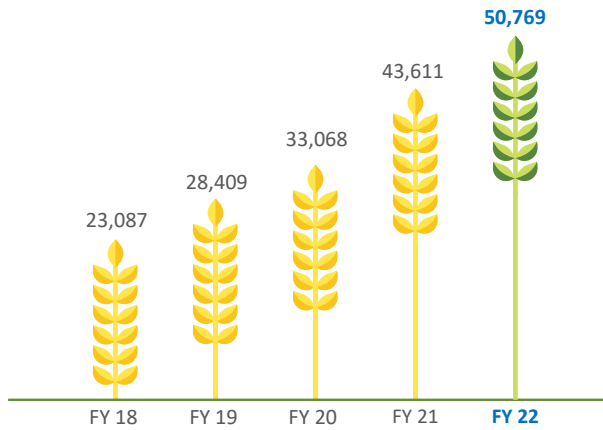
(₹ Million)

Year Ended March 31	FY 2021-22	FY 2020-21	FY 2019-20	FY 2018-19	FY 2017-18
Non-Current Assets	29,233	26,209	24,360	14,573	11,629
Current Assets	47,048	43,439	16,704	16,874	14,521
Total	76,281	69,648	41,064	31,447	26,150
Shareholder's Funds	60,387	52,860	25,911	22,747	19,122
Non-Current Liabilities	3,133	3,968	4,962	578	879
Current Liabilities	12,761	12,820	10,191	8,122	6,149
Total	76,281	69,648	41,064	31,447	26,150

* Comparative figures of Revenue from operations have been regrouped as per the requirement of Ind AS, balance as per reported numbers

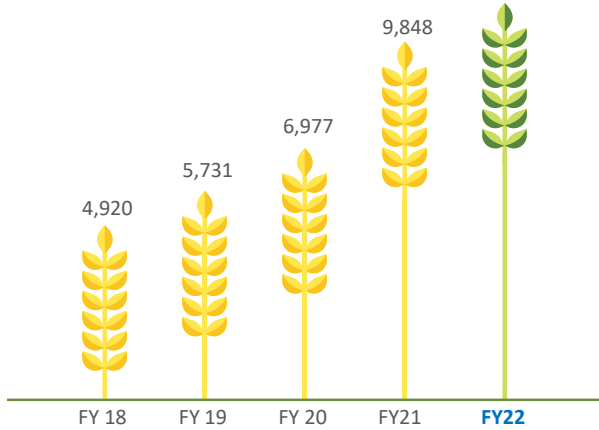
Revenue from operations*

(₹ Million)



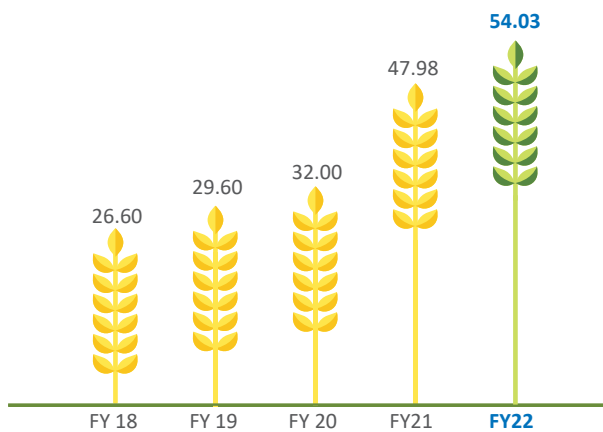
EBITDA

(₹ Million)



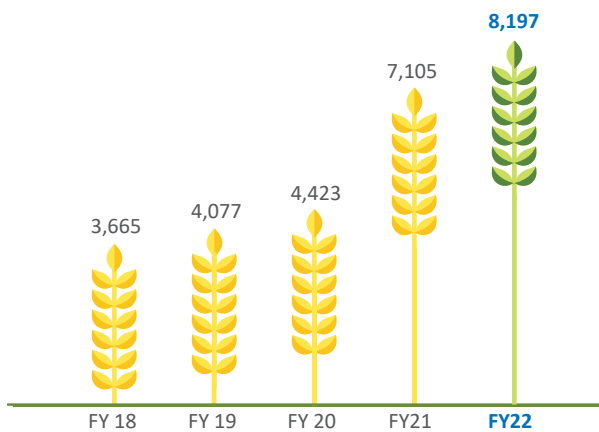
EPS

(₹)



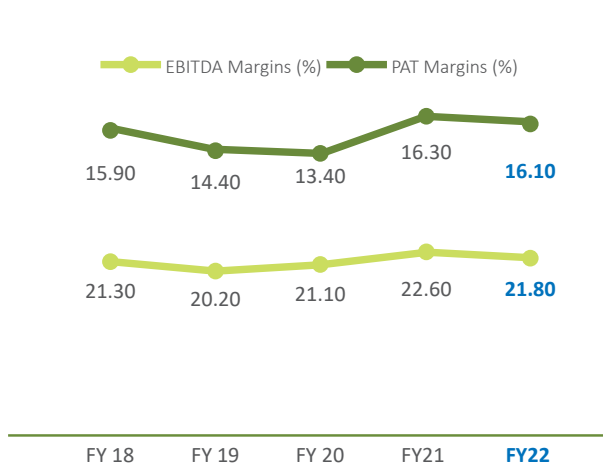
PAT

(₹ Million)



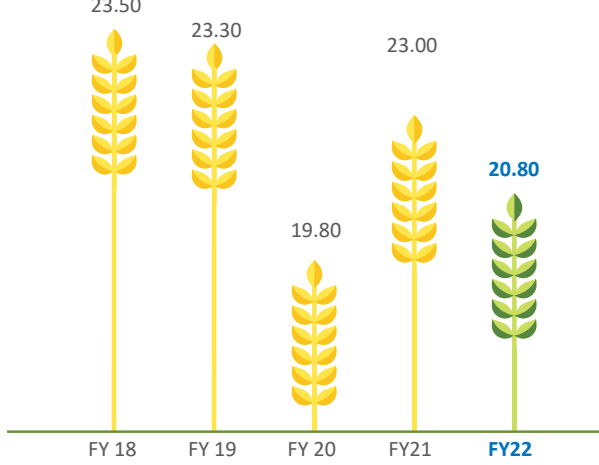
EBITDA & PAT Margins

(%)



ROCE

(%)



Chairperson's Message

***Moving Ahead with Purpose of
Reimagining a Healthier Planet***



Narayan K. Seshadri
Chairperson

Dear Shareholders,

In my last letter, which coincided with your Company's 75th anniversary year, I emphasised about the world needing a healthier planet. While envisioning our journey for the next 75 years, we chose to refresh our guiding lights to embed environmental and societal responsibilities much deeper in PI's DNA. An organisation-wide rethink involving our Board, leadership and the entire PI family culminated into a new doctrine, PI Compass, one that leads us now into a promising and exciting future. With middle class cohort growing at a much faster clip than the world population, consequent consumption growth would need to be met in a sustainable manner. Considering finiteness of resources, the environmental efficacy of technological advances becomes as paramount as is its pace. More so in the light of ecological, nutritional and social discernment of today's consumers.

PI being a responsible corporate citizen, we have chosen to rise to the occasion. Making sustainability central to our business, we have adopted an inspiring new purpose – **Reimagining a healthier planet**. Dedicating our Annual Report 2021-22 to this new purpose, we are fast recalibrating our business priority and goals with a firm resolve to make PI, as one of the most sustainable and responsible companies in the global specialty chemicals landscape.

At PI, we have been a pioneer in implementing new technologies with a digital mindset and continually innovating processes for efficiency, effectiveness, and speedy scale with a strong focus on innovation. Adherence to world class industry standards for manufacturing enables us to lead the development of chemistries that make India proud.

We will harness cutting edge science and technology while remaining ESG anchored. Our fundamental action is to be green. Adopting ESG as a way of life, we are making it

“

Adopting ESG as a way of life, we are making it the omnipresent PI agenda – of everyone and at every step of our operations.

the omnipresent PI agenda – of everyone and at every step of our operations. Our drive to bring about the cumulative shift in mindset – towards embracing and practicing ESG on a day to day basis is progressing well. I am sure its business benefits would become visible in the coming years.

Our new vision – **Lead with science, technology and human ingenuity to create transformative solutions in life sciences** – has attracted one of the most talented employee pools. We want to enthuse our employees and the broader community to live and strive towards our purpose. On behalf of our Board and leadership teams, I wish you and your families' peace, harmony and progress. Let's come together to add force to our new purpose. Let's reimagine a healthier planet!

With warm regards,

Narayan K. Seshadri
Chairperson

Vice Chairperson and MD's Message

We believe in Creating New Benchmarks



Mayank Singhal

Vice Chairperson & Managing Director

Dear Shareholders,

PI being a science and tech driven Company, we have an enviable track record in partnering global innovators for well over seven decades. At the same time, PI enjoys the trust of millions of farmers across India.

Our evolution has always kept pace with the fast changing world. A finer alignment of our own aspirations with the shifting human needs and preferences led us to our newly adopted purpose – **Reimagining a healthier planet.**

Consolidated Performance

Having started under the shadow of severe Covid second wave and ended under the cloud of Russia-Ukraine conflict, FY 2021-22 tested our agility, resilience and ingenuity. At PI, we weathered supply chain disruptions, rising input cost and unfavourable climatic conditions to deliver a robust financial performance in line with our guidance made much earlier than the commencement of the year.

A resounding FY 2020-21 performance (~35% and ~39% growth in exports and domestic businesses respectively) had meant a higher base for FY 2021-22. On a higher base and in spite of aforementioned constraints in our operating environment, PI delivered revenue, EBITDA and net profit growth of 16%, 13% and 14% respectively. Revenue growth was powered by price increase and volume growth, both. Exports revenue grew by 20% while domestic revenues recorded a 4% growth.

PI countered cost pressure with a favourable product mix and prudent price increase. We improved our gross margin by 103 bps and maintained our EBITDA margins of around 22%. The Company's cash generation from operations before tax stood at ~₹ 7,038 million.

CSM Exports

FY 2021-22 proved to be a landmark year for CSM exports. We commercialised 9 new molecules, our highest in a single year while more than 40 new products stood at varied stages of development. Our drive to diversify beyond agchem got a major boost with successful foray into electronics chemicals during the year. Interestingly, more than 20% of our pipeline is comprising of non-agchem products.

We successfully developed continuous flow chemistry for one intermediate at pilot plant and also implemented a new technology to improve solvent quality and recovery (PSD). We fully commissioned two Multi-Purpose Plants (MPP) and a new chemistry building block (MMH) during the year.

We made significant operational improvements in our manufacturing. Promising capital efficiency was accomplished through operational excellence, statistical data analysis and Process improvement. We also implemented new analytical tool for process monitoring in more than 10 products. Our drive towards a greener PI got a fillip with PI contracting 500KW solar power at our Jambusar facility.

On business front, PI received 36 new enquiries and closed the year with a robust order book of ~\$1.4 Billion. More than 35% of the new enquiries were from non-agchem space.

Domestic Agri Brands

Our domestic business countered unfavourable agro-climatic conditions in the Kharif season during the first half of FY 2021-22. A good Rabi season that followed in the second half did help us bounce back with a good performance for the whole year.

Accelerated product innovation culminated into several product launches during FY 2021-22. These included one new insecticide for rice, three specialty fungicide focused on horticulture and rice, and 13 new horticulture focussed products under our *JIVAGRO* brand. PI received 3 regulatory approvals during the year, which also included the first product to receive MRL exemption in India.

We had more than 15 products at different stages of development and registration at the close of FY 2021-22. On the top of it all, PI's aggressive growth agenda in horticulture space is ready to take off under the *JIVAGRO* brand. Our foray into farm application services furthered with doubling of the area treated using high-tech spray machines during the year. We also ran a successful pilot of drone applications and are evaluating its scale up, going forward. Deepening our commitment to channel partners' growth and progress, we rolled out PI Mitra Loyalty Program for them.

I put on record my sincere appreciation of team PI's tremendous ingenuity and resilience in not only delivering on our customer expectations but also keeping the innovation engine revving. I thank our customers, partners and investors for their continued trust in PI growth story and look forward to their continued patronage in our growth journey.

Warm regards,

Mayank Singhal
Vice Chairperson & Managing Director

“

At PI, we are investing in the newer building blocks of future – research and development capabilities, diversification beyond agchem space, capturing of horticulture opportunities, shift towards a tech-enabled, tech-propelled, digitally transformed organisation.



Board of Directors



Mr. Narayan K. Seshadri

Independent Non-Executive Chairperson

Mr. Narayan K. Seshadri (DIN: 00053563), 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. Besides PI Industries Ltd., he is also the Chairperson of AstraZeneca Pharma India Ltd.

He serves on the Boards of 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., Kritdeep Properties Pvt. 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.

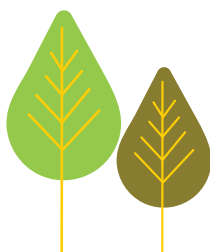


Mr. Mayank Singhal

Vice Chairperson & Managing Director

Mr. Mayank Singhal (DIN: 00006651) having joined PI Industries in 1996. Mr. Singhal, an Engineering and Management Graduate from UK, rose to become its Joint Managing Director in 2004, its Managing Director and CEO in 2009 and subsequently PI's Vice Chairperson and Managing Director in 2019.

Leveraging his rich experience of over two decades in the fields of chemicals, intermediate and agrochemical industries, he has played an instrumental role in the rapid development of Company's customer base. He has also been responsible for bringing in superlative changes in policies and transforming operations and systems, thus, providing synergy to various business activities of the Company. Besides PI Industries Ltd., he also serves on the boards of 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 (DIN: 06429468) is a qualified Chartered Accountant and has a diverse experience of over 3 decades in the areas of Business Development & Strategy, Customer Relationship Mgt., Operations, Finance, Risk Mgt, Legal Contracting & Compliances, Investor relations, Information Technology and Process Reengineering, etc.

He has been associated with PI for nearly 27 years and is responsible for the overall transformation of the Company over the last several years by managing numerous portfolios from Finance, IT, Business Development, CSM operations, and Merger & Acquisition related activities. His current role is focused on identifying new business opportunities, Mergers & Acquisitions, evaluate and execute such possibilities apart from various other strategic initiatives, Investor relations, and handling joint-ventures and key customer relationships on behalf of the Company and also Chief Investor Relation Officer.

He is currently on the Board of PI Life Science Research Ltd., PILL Finance and Investment 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. Rajnish Sarna
Joint Managing Director

Notice

Financial Statements

Mr. Arvind Singhal (DIN: 00092425), an entrepreneur brings in a diverse industry experience of over 4 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, stepped down in December 2001. Relinquishing the executive position, he continued to serve PI Industries as Non-Executive Director till December 2006. Further, he was appointed as Non-Executive Non Independent Director on October 5, 2016. Besides being the Managing Director of Wolkem India Limited, he also serves on the Board of Secure Meters Limited and Mynores India Private Limited. Mr. Arvind Singhal has been actively associated with business chambers like Federation of Indian Mineral Industries (FIMI) and Skill Council for Mining Sector. He is the Chairperson of Hazardous Waste Management Facility, Udaipur.



Mr. Arvind Singhal
Non Independent Non-Executive Director

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Corporate Overview

Ms. Ramni Nirula (DIN : 00015330) holds a Bachelor's Degree in Economics and a Master's Degree in Business Administration from Delhi University. Possessing more than three decades of experience in the financial sector, she has held various leadership positions in the areas of Project Financing, Strategy, Planning and Resources and Corporate Banking.

Ms. Nirula was the Managing Director & CEO of ICICI Securities Ltd. and also headed the Corporate Banking Group of ICICI Bank. She serves on the Board of DCM Shriram Ltd., HEG Ltd., Usha Martin Ltd., Kirloskar Brothers Limited, DRN Investments and Agriculture Pvt. Ltd. and Utkarsh Welfare Foundation.



Ms. Ramni Nirula
Independent Non-Executive Director



Dr. T.S. Balganesb

Independent Non-Executive Director

Dr. T.S. Balganesb (DIN: 00648534) holding a PhD in Medical Microbiology from University of Calcutta. Dr. Balganesb completed his post-doctoral research at Brookhaven National Lab, USA and Max Planck Institute, Germany. He has also been awarded an honorary doctoral degree from the University of Uppsala, Sweden.

Possessing more than three decades of experience in antibacterial drug discovery, Dr Balganesb served as Head of Research at AstraZeneca's antibacterial drug discovery unit in Bangalore before rising to become the Managing Director and member of the board of AstraZeneca India Pvt. Ltd. in the past. Currently, he is holding the position of President and a Director on the board of GangaGen Biotechnologies Pvt. Ltd. He also serves as a Director on the Board of Open Source Pharma Foundation, IKP Knowledge Park, PI Fermachem Pvt. Ltd., PI Bioferma Pvt. Ltd. (Formerly known as PI Enzachem Pvt. Ltd.), Ahammune Biosciences Private Limited and PI Health Sciences Limited.



Mr. Pravin K. Laheri

Independent Non-Executive Director

Mr. Pravin K. Laheri (DIN: 00499080) (IAS, Retd., Gujarat cadre) has studied at the St. Xavier's College and Government Law College, Mumbai. He joined the Indian Railways in 1967 and the Indian Administrative Services in 1969.

He served the Government of Gujarat in various capacities such as District Development Officer (Jamnagar), Collector (Banaskantha), Director - Cottage Industries, Joint Secretary (Education Department), Industries Commissioner, Principal Secretary to Five Chief Ministers of Gujarat, Principal Secretary (Rural Development, Information etc.) and Chief Secretary. He was CMD of Sardar Sarovar Narmada Nigam Limited. Mr. Laheri also serves on the Board of Gulmohar Greens Golf & Country Club Ltd., DMCC Oil Terminal (Navlakhi) Ltd., Ambuja Cement Foundation, Amap Management Consultancy Pvt. Ltd., Vision Aviation Pvt. Ltd. and Nikhil Adhesives Ltd.



Ms. Lisa Jane Brown

Independent Non-Executive Director

Ms. Lisa J. Brown (DIN: 07053317), holds a Bachelor's Degree in Law from the University of Derby and is a registered Trade Mark Attorney.

Ms. Brown has an extensive and rich experience of more than 2 decades in diverse sectors including, industrial, technology, consumer etc. with an in-depth expertise on subjects like IP management, compliance, risk assessment and corporate restructuring. She has demonstrated value through an approach of riskbased analysis to deliver corporate growth, strategy execution and governance through her various board and executive roles held in reputed organisations like SSL International Plc, London, Pets at Home Limited, a national retailer in the United Kingdom, WABCO Holdings Inc.

Mr. Shobinder Duggal (DIN: 00039580) holds a Bachelor's Degree in Economics (Hons.) from St. Stephens College, Delhi University and is a member of Institute of Chartered Accountants of India.

He has completed the International General Management program for executive development from the International Institute for Management Development, Lausanne, Switzerland. He has vast experience in finance and accounts domain and in the past has held positions at Nestle as well as Voltas Limited.

During his association with Nestle, Mr. Duggal has handled various responsibilities including Financial Planning; Direct Taxes; Consolidation & Reporting to the Group and for India entity; Assisting on Investor Relations; Insurance; Controlling; Costing; Overseeing the Treasury function; Payroll; Fixed Assets Management; Operational & Financial audits; Due diligence audit etc. He led an international team for the due diligence of a major acquisition in India.

He has also served as a member on the board of Nestle India Limited and Nestle Lanka PLC. Presently he is on the Board of SBI Life Insurance Company Limited and Kirloskar Brothers Limited.



Mr. Shobinder Duggal
Additional Director

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Ms. Pia Singh (DIN: 00067233) is a graduate from Wharton School of Business, University of Pennsylvania, U.S.A., with a degree in Finance. Ms. Singh has an extensive and rich experience of over two decades in the areas of business management, strategic planning and implementation.

She began her career in the risk-undertaking department of GE Capital, an investment division of General Electric. Currently, she serves as a Director on the board of DLF Limited, India's largest publicly listed real estate Company and a Chairperson of DLF Foundation, which is the philanthropic arm of the DLF group. Prior to that, she was the Chairperson of DLF Retail Developers Limited, Director of DT Cinemas Limited and founder of Yogananda Films. She serves as a trustee of Ananda Sangha Trust and the Paramhansa Yogananda Public Charitable Trust. She is also the Co-president of the University of Pennsylvania, Institute for Advanced Study of India and a member of the University of Pennsylvania Asia Campaign Leadership Committee.

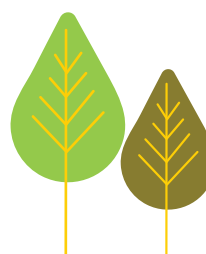
Besides these, she also serves on the Board of Northern India Theatres Private Limited, Sukh Sansar Housing Private Limited, Solace Housing and Construction Private Limited, Pushpak Builders and Developers Private Limited, Arihant Housing Company, DLF Brands Private Limited, Madhukar Housing and Development Company, Sambhav Housing and Development Company, Udhyan Housing and Development Company and Anubhav Apartments Private Limited.



Ms. Pia Singh
Additional Director

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Corporate Overview



Leadership Team



Dr. Atul Kumar Gupta
CEO
AgChem Exports (CSM)



Mr. Prashant Hegde
CEO
AgChem Brands



Mr. Parmanand Pandey
CEO
Jivagro Limited



Dr. Alexander Klausener
Chief Scientific Officer



Mr. Jiro Mochizuki
President- PI Japan



Mr. Manikantan Viswanathan
Chief Finance Officer



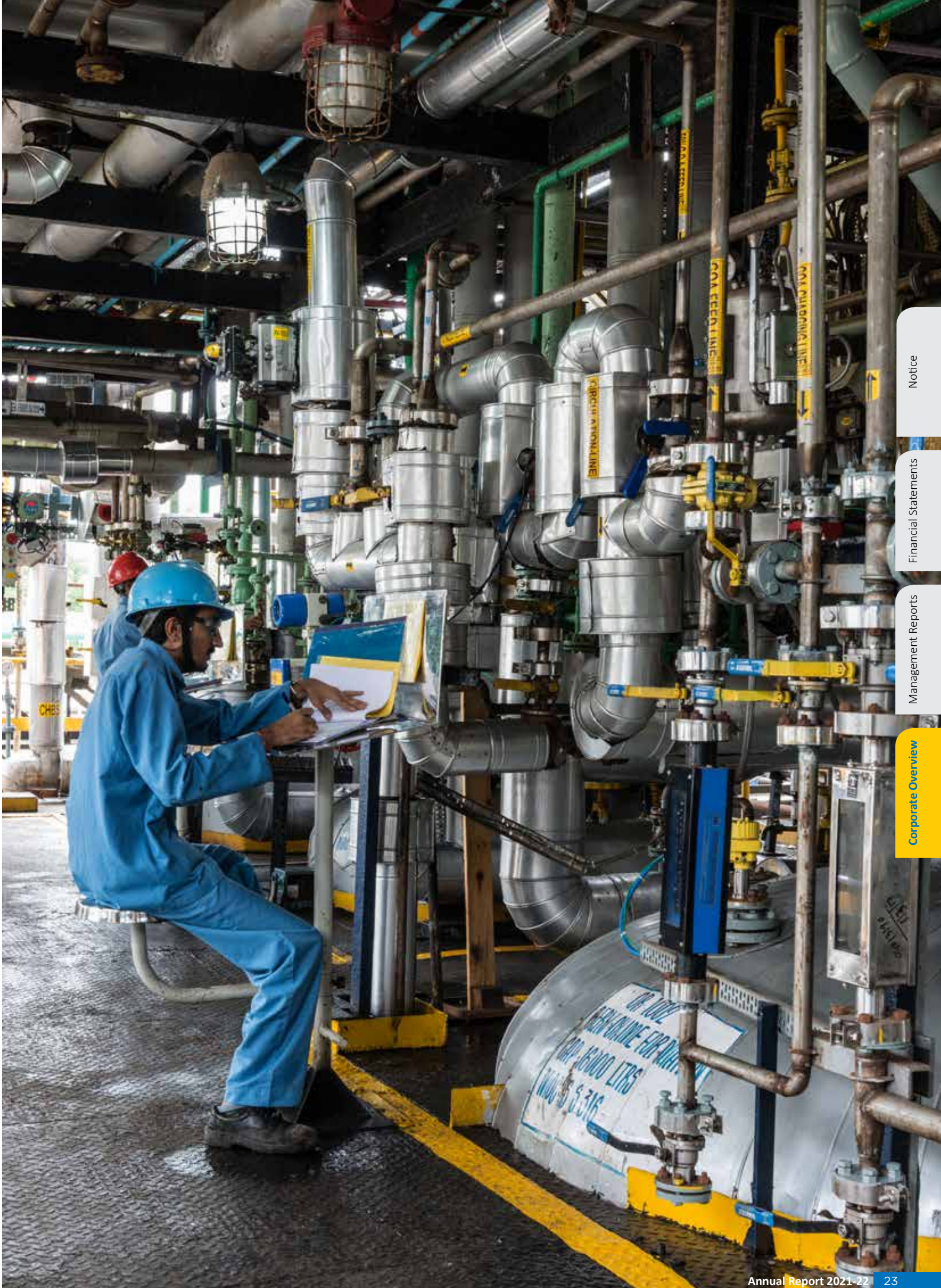
Mr. Umesh Mehta
Chief Information Officer



Mr. Samir Dhaga
Chief Transformation Officer



Mr. Chandrajit Pati
Chief People Officer



Corporate Information

Board of Directors

Mr. Narayan K. Seshadri
Non-Executive Non Independent
Chairperson
DIN : 00053563

Mr. Mayank Singhal
Vice Chairperson & Managing Director
DIN : 00006651

Mr. Rajnish Sarna
Joint Managing Director
DIN : 06429468

Mr. Pravin K. Laheri
Independent Director
DIN : 00499080

Ms. Ramni Nirula
Independent Director
DIN : 00015330

Mr. Arvind Singhal
Non-Executive Non-Independent
Director
DIN : 00092425

Dr. T.S. Balganes
Independent Director
DIN : 00648534

Ms. Lisa J Brown
Independent Director
DIN: 07053317

Mr. Shobinder Duggal
(w.e.f. November 12, 2021)
Additional Director
DIN: 00039580

Ms. Pia Singh
(w.e.f. August 03, 2022)
Additional Director
DIN: 00067233

Chairperson Emeritus

Mr. Salil Singhal

Chief Financial Officer

Mr. Manikantan Viswanathan

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.
HSBC Bank (Mauritius) Ltd.

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

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

Share Registrar & 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

Share Department

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

Corporate Identity Number (CIN)

L24211RJ1946PLC000469

Our Horticulture Brand Portfolio

Having crystallised our horticulture focused strategy in FY 2021-22, we went ahead with the launch of 13 specialised brands at a go. This, by far, was our highest number of brand launches in a single year.

FUNGICIDE



INSECTICIDE



BIO-STIMULANT

FUNGICIDE

ARMATURA

Grapes || Powdery Mildew

POLERO

Tomato, Chilli, Onion, Rice, Maize, Wheat, Turmeric, Cotton || Broad Spectrum

DEBARR

Grapes, Chilli, Tomato, Onion, Apple || Broad Spectrum

ROUT

Rice, Chilli, Tomato, Potato, Onion, Grapes, Pomegranate || Broad Spectrum

PROFORCE

Tomato, Grapes, Potato, Chilli, Cucurbits || Broad Spectrum

LURIT

Grapes, Potato, Cucurbits, Tomato, Onion, Tobacco || Broad Spectrum

INSECTICIDE

TORPEDO

Cabbage, Chili, Onion, Tomato, Pomo || DBM, Thrips

VOLATGE

Tomato, Tea, Brinjal, Chilli, Apple, Okra, Cotton || Whitefly, Mites

PRECEDE

Tea, Chilli, Cotton, Pigeon pea || Whitefly, Pod borer, Stemfly, Mites, Thrips

WARLORD

Paddy, Cotton, Okra || BPH, Aphid, Jassid, Thrips, White Fly

WARRANT

Citrus, Rice, Tea, Rubber and Vegetables || Snails & Slugs

BIO-STIMULANT

ECOLIGHT

All Crops || Plant Health

RINGMASTER

All Crops || Plant Health



Our People, Our Strength

Building a Culture of Safety and Inclusivity

Safety and Well-being

- Strengthening our commitment to promoting practices that encourage the responsible, safe, and efficient use of crop protection products, PI's **Safety and Stewardship** team conducted training and awareness programs for farmers pan India.
- Safety is everyone's responsibility and with this belief, teams at PI organised a series of activities to raise awareness around safe work practices and with a goal to support the creation of a **'Safety First'** culture.
- Fitness activities like Zumba, International Yoga Day, Blood Donation drives, Awareness on Hepatitis etc. were organised under the ambit of **Fit@PI**
- Vaccination drives across India for our people and their family members
- Nurturing Nature for Ecosystem Restoration



Celebrating Togetherness

- 102nd Founder's Day, a tribute to our Founder Late Sh. P. P Singhal
- Celebrating Diversity through festivals and occasions like International Women's Day, Diwali, New Year etc.
- Partnering for collective growth through distributors meet and launch of PI's new innovative products





FY 2021-22 marked our gradual and watchful shift from the virtual to the physical world. Here's presenting the kaleidoscopic view of the myriad of actions dotting PI's timeline...





Events

Knowledge sharing through Industry Events, Seminars, Webinars, Conferences, Speaking Engagements and Tradeshows

- Address by **Mr. Mayank Singhal**, Vice Chairperson & Managing Director at the **14th Annual India Chemical Industry Outlook Conference**
- **Mr. Prashant Hegde**, CEO, AgChem Brands, participated as a speaker at the **ICN E-conference on 'Agrochemicals: The Next Growth Enabler for the Indian Chemical Industry'**
- Participation in dialogues concerning **Green and Sustainable Chemistry** organised by the **Green ChemsTree Foundation** and joined by eminent global members from the domain of Green & Sustainable Chemistry, Process Safety Management, Environmental Compliance and Sustainability
- Collaborated in industry idea exchange at the **CII AGRI INPUTS Summit**
- Participation in **Indian Agtech Roundtable** organised by **Food AgTech Platform ThinkAg**
- Shared expert insights on the **'Role of Agriculture in Food Security and Nutritional Security'** at **Asia's Largest Technology Event, Bengaluru Tech Summit (BTS)** organised by the Department of Electronics, IT, BT and S&T, Government of Karnataka and co-hosted by STPI
- Participation at **"ICC Sustainability Conclave"** organised by **The Indian Chemical Council**. The theme for the conclave was: **"Clean India – Green India: Strategies, Innovations & Technologies for Chemical Industry"**.





At PI, we have been a pioneer in implementing new technologies with a digital mind-set and continually innovating processes for efficiency, effectiveness, and speedy scale with a strong focus on innovation. Adherence to world class Industry standards for manufacturing enables us to lead the development of chemistries that make India proud.



2022

Awards and Recognitions

We are proud to be recognised by many Organisations for our Innovation, Service and Commitment to operating responsibly while meeting the needs of our Customers.





MR. MAYANK SINGHAL HONORED AS INDIA'S BEST CEO IN THE AGRICULTURE AND ALLIED SECTOR BY HON'BLE MINISTER SHRI PIYUSH GOYAL, GOVERNMENT OF INDIA



HERITAGE COMPANY OF INDIA AT FICCI'S INDIA @75: CHEMICAL & PETROCHEMICAL INDUSTRY AWARDS 2021

- Mr. Mayank Singhal honored as India's Best CEO in the Agriculture and Allied Sector by Hon'ble Minister Shri Piyush Goyal, Government of India
- Winner of 'Golden Peacock National Quality Award 2022'
- Mr. Mayank Singhal recognised by The Economic Times as Asia's Promising Business Leader 2021-2022
- Awarded for Outstanding Performance at Dun & Bradstreet's Corporate Awards 2022
- Ranked amongst India's Top 500 Companies 2022 in Dun & Bradstreet's listing
- Awarded with ISO 9001:2015 Certification for Jambusar (Gujarat) Site
- PI Industries, Udaipur receives Certificate of Appreciation, Karkhana Suraksha Puraskar-2022
- Golden Peacock Award for Sustainability for the year 2021
- Heritage Company of India at FICCI's India @75: Chemical & Petrochemical Industry Awards 2021
- PI Industries ranked in the Top Quintile of its First S&P Global Corporate Sustainability Assessment for 2021 with 82% percentile industry ranking
- Featured as one of the 26 Indian companies in Forbes Asia Best under a billion 2021







मानव शरीर (Human Body)



ENVIRONMENT, SOCIAL AND GOVERNANCE AS A WAY OF LIFE

We think health first for people and the planet.



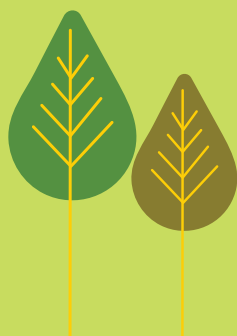
Value Creation

Doing Business Responsibly and Compassionately

With our new purpose, Reimagining a healthier planet, we have embedded sustainability much deeper into our DNA. Keeping ESG at the core of everything we do, we are ushering into a golden phase of our evolution, steadily metamorphosing into a leading global life sciences Company.

For PI, sustainability means much more than just countering risks. We view sustainability as a source of competitive advantage and key to our business continuity and success. We believe the shared-value can only be co-created by cumulative contributions from all stakeholders and their representation can be ensured through relevant policies and proxies at the highest governing and operational levels.

ESG is central to our Purpose, Vision, Values and overall business philosophy for the past 75 years. Integration of ESG into our business strategy is going to be key to sustainable value creation and resilient future for all our stakeholders.



Our Sustainability Priorities are:

Creating shared value for all

Through our products and services, we contribute to sustainable agriculture and livelihood development of farmers. Ensuring satisfaction of our customers is of paramount importance to us. Key tenets to meeting the customer requirements in a responsible manner include innovation, product stewardship, and operational excellence. We also strive to create long-term economic value for our shareholders. Our community development programs drive socio-economic development in the areas we operate.

Reducing our Ecological Footprint

Constantly reducing the consumption of resources (water and energy), improve raw material efficiency, enhance circularity in operations, and reduce emissions and waste production.

Empowering our people

We aim to become an employer of choice by empowering individuals to reach their full potential. We aim to build an inclusive culture where diversity is valued. We respect human rights of all and strive to uphold them across our operations. High standards of safety and good health of our employees across operations and locations is paramount to us.





IAIDVC - પ્રોજેક્ટ

ધી મહિલા સંચાલિત જય સ્વામિનારાયણ દૂધ ઉત્પાદક મહિલા મંડળી ગામ : સાલેપુર, સાંગડી



આર્થિક સહયોગ
પી.આઈ. ફાઉન્ડેશન



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Corporate Social Responsibility

PI through its Corporate Social Responsibility has been incessantly improving its reach for enhancing the social and economic wellbeing of the underprivileged and marginalised sections of the society. We strive to create a positive difference by bringing meaningful change across the less privileged communities, through a targeted, integrated and environmentally sustainable approach.



Our CSR interventions are deep-rooted in the triple bottom line framework for responsible business practices within: Social, Economic and Environmental pillars of sustainable development. The rigorous process for formulating a framework aligned with the sustainable development goals (SDG) reflects our continued commitment to contribute to their accomplishment. This has benefited the underprivileged population around our plant location and farmers across the country.

PI has always been a science major organisation and therefore we acknowledge the broader responsibility that comes abreast with our large operations, and hence, sustainability is woven into all our decisions and work

processes. We seek to regularly incorporate the social, ethical and environmental considerations in the process of new technology development. Through continuous life cycle assessment of our products, we emphasise reducing our environmental footprint by bringing the principle of product stewardship in our approach.

While our CSR interventions in the domains of education, health, environment, agriculture, women empowerment and skill development align with several SDG goals, they primarily align with goal number 1, 3, 4, 5, 6, 8 and 13. The Company engages with the society through PI Foundation to leverage its CSR activities for inclusive growth.

Environmental Sustainability through Conservation of Natural Resources & Sustainable Farming Practices:

At PI, we are committed towards the environment and society, which can be seen through our targeted, integrated and environmentally sustainable approach.

At PI, we have been striving to optimise the potential of farming system that is economically, environmentally and socially sustainable. We ensure the on-ground uptake of sustainable agriculture practices through a science led approach, by conducting multiple activities. These include, farmers training, field demonstration and farm extension programmes on leading agronomic practices that have boosted economic returns to the farmers, while protecting the environment and conserving the natural resources.

During FY 2021-22, our propagation of the Direct Seeding of Rice (DSR) technique has impacted over 20.8 Lac Acres of farm land across the country, thereby saving up to



1.74 trillion litres of water. Adoption has also reduced drudgery to a significant level and helped saving an average of ₹ 6,000 per Acre in the cost of paddy cultivation.

Our new intervention involving propagating eco-friendly technology in sustainable production of cotton has impacted the yield significantly in cotton growing pockets of Maharashtra, Gujarat, AP, Karnataka and Telangana.

During the year gone by, efforts were also made towards management of reused plastic containers in farms of Maharashtra and AP. The project, a joint initiative with Bayer, is one of its kind and is anticipated to aware farmers on the associated environmental and health benefits .



40,323
new farmers
benefited
through leading
agronomic
practices



Health, Hygiene and Sanitation

PI has recognised its ability and responsibility for increasing the equitable access to preventive health care for marginalised communities around its plant location. High cost and inaccessibility of medical services in these areas has been a concern leading to elevated mortality rates in the region.



PI has been striving to bridge the gap in health services by deploying Mobile Health care vans providing preventive, promotive and curative health services at the beneficiary's doorstep. In FY 2021-22, 90,287 cases were treated using our Mobile health vans by taking measures to ensure last mile coverage. In addition, efforts were also made to revive Kumarpal blood bank in Ankaleshwar and make it operational for catering to over 11,200 people in FY 2021-22.

Under the National Health Mission Project aimed at improving health entitlements in remote locations, PI through its 'Swasthya Seva' initiative operationalised 3 fully functional Mobile Healthcare Vans for the benefit of community in villages around our plant location. Our community outreach has brought healthcare to underprivileged people, including women, the elderly and children and provided services like prevention, treatment, immunisation & counselling on health issues. In order to ensure successful adoption of these initiatives, the village development communities were empowered to decide on the timing, location and eligibility to access these services. This resulted in tremendous success in administering vaccinations against diseases such as Polio, TB and DPT.

Over the years, there has been a significant decrease in primary healthcare issues via timely treatment within outreach of MMUs.

During FY 2021-22, as country battled with the destructive second COVID-19, PI Foundation proactively rolled out a project for setting up 5 oxygen plants across hospitals in Gujarat, Rajasthan and Delhi. Several awareness sessions on precautions against coronavirus in villages around plant locations were also organised. Focus was given on the necessity of social distancing and hand-sanitisation. PI through its CSR, provided financial support for setting up of COVID-19 Isolation centre to Vasant Vihar Welfare Association, New Delhi. PI provided 50 beds, 50 mattress and requisite medical equipment such as Pulse-oximeter, Blood Pressure Apparatus to set-up COVID-19 isolation centre in Bharuch. Our Mobile Medical Units extended their services for conducting thermal screening, distributing hand sanitisers, masks and other necessities to villagers.

As part of Swachh Bharat Abhiyan, PI incessantly ensures the up keep and maintenance of 12 school toilets built by PI in Jambusar and Panoli, Gujarat every year.



1,00,287 lives impacted through our Mobile Health Units (MHUs) and blood bank project in FY 2021-22

Education and Skill Development



PI has undertaken an education initiative on improving age-appropriate learning levels in children and teaching outcomes for tutors. Under the initiative, 15,000 children across 135 govt schools in 82 villages were taught reading, writing, comprehension and arithmetic in FY 2021-22. To promote comprehensive learning our mobile education van has been imparting learning to the last mile through interactive techniques. This aims at improving the enrolment, reducing dropout, improvement

in attendance, passing grades, and primary completion. The students have shown a 80% increase in class appropriate learning levels. During the financial year, we also imparted employment linked skill-development courses on BPO, sales & Marketing, electrician and retail at our skill development center in Gujarat. These courses have helped more than 480 students to complete the course and 300 Youth gain employment in organised sector jobs.



15,000
Govt. School
Children
benefited from
our Learning
Enhancement
programme

Women Empowerment



Women across rural India are generally financially dependent on their male-counterparts and other family members, majorly due to lack of literacy and education. This inhibits families to realise their fullest earning potential.

To overcome this challenge, we initiated an entrepreneurship and skill enhancement programme for underprivileged rural women. During FY 2021-22 the programme has benefited over 7,000 women across 80 villages in Jambusar and Panoli region of Gujarat. The programme involves formation of Self

Help groups with facilitating opening of bank accounts, skill development and training programmes across the dairy, agriculture and micro-enterprises.

During the current Financial Year, we have conducted the financial and legal literacy sessions for 3,267 women and facilitated monthly savings meeting for 450 SHGs in Jambusar and Panoli in Gujarat and generated entrepreneur opportunities for 385 women.



>7,000
women members
& their families
through
entrepreneurship
and skills
enhancements



Rural Infrastructure Development



Infrastructure services including provision of water & sanitation, and safe disposal of wastes are central to the activities of rural households. Several public-private initiatives for infrastructure development have enabled a progress in facilitating better infrastructure across rural India. However, due to differential performance across states there are numbers of villages still lagging behind.

Previously, we at PI identified a dearth of basic sanitary facilities in the villages surrounding our plant operations in Jambusar. During the current Financial Year, we initiated the strengthening of drainage and sewage system in these areas, thereby contributing to cleanliness and hygiene of the villages.



PI's CSR strategy focuses on:

Creating a positive impact for marginalised communities via environmentally sustainable approach

Interventions aligned with Sustainable Development Goals (SDG)

Continuous life cycle evaluation of products and product stewardship to minimise eco-impact



CSR Impact

Engaging Proactively and Creating Shared Value for all



Health, Hygiene and Sanitation

- 90,287 people covered through 3 Mobile Medical Units in FY 2021-22; whereas 5,50,000 people were benefitted till date
- Subsidised primary healthcare for underprivileged, thereby annual spent on primary health services being around ₹ 500/- only
- Conduced 5 thematic health camps in Gynaecology, Paediatrics, Dermatology and Dental services. More than 1,500 people especially women, children and Senior citizen benefitted



Education and Skill Development

- Increased the age appropriate learning levels by 80% among primary school children by conducting science workshops, training of volunteer teachers and learning camps
- Around 1,000 children availed the services of mobile education van
- Programme covered 15,000 students in 135 Schools in 82 Villages
- Ensured smooth functioning of Skill Development Centre at Jambusar and 480 youth trained in FY 2021-22
- Offered Courses in electrician, retail, BPO sectors throughout the year; 300 Youth placed in organised sectors by FY 2021-22



Women Empowerment

- Increase number of women through economic empowerment in 80 villages (7000 women covered in FY 2021-22)
- Conduct workshops in financial and legal literacy (3,267 women underwent training)
- Strengthen bank linkages for women (1,205 and cumulatively 3,955 women having direct linkages with bank and dairy value chain in FY 2021-22)
- Generated entrepreneur opportunities and Facilitate monthly financial saving meetings for 385 women



Sustainable Agriculture Practices

- 40,323 new farmers covered through DSR programme in FY 2021-22
- Direct DSR demonstrations performed in 590 plots across Haryana, Punjab, West Bengal, Chhattisgarh, AP and Telangana, Karnataka
- Facilitated increase in the yield and decrease in pest infestation
- Disseminated eco-friendly technology for growing cotton amongst 10, 000 farmers across Gujarat, AP, Telangana, Karnataka and Maharashtra

Management Discussion and Analysis

Economic Overview

Global Economy

Just as the world was gradually transcending the COVID-19 pandemic, with easing of restrictions leading several economies to return towards their pre-COVID levels, another disruptor shook the global economy in form of Russia-Ukraine conflict. The prolonged and ongoing conflict, since late February, is a significant humanitarian crisis.

It is also shaping up to be a prelude to a new geopolitical era, one where businesses may need to navigate an altered globalisation map, and one where progress against global issues in areas such as health and climate change becomes harder to do.

The COVID-19 pandemic is still affecting lockdowns in major economies including China. Emergence of any new wave could reverse the progress made in unshackling global supply chains. The global economy traversed the COVID-19 pandemic with increased public debt. And as mounting inflation triggers interest rate hikes, the resultant increase in servicing cost of sovereign debt would make it challenging for several emerging economies, more so for those whose debt is denominated in (appreciating) US dollar. With governments, policymakers as well as corporations still reeling under the aftershocks of the pandemic, the world economy is less prepared to counter another economic shock of significance.

As the world continue to move past the pandemic, it ought to cautiously navigate inflationary pressure, which continues to draw fuel from prolonging geopolitical conflict. Inflation is pegged to range between 4.5% to 7.7% in 2022 and 2.9% to 4.3% in 2023, intricately linked to how the conflict evolves.

Over the past several decades, PI has worked relentlessly to provide value-added solutions to millions of farmers in the country and across the globe, carving a niche for itself in the market, and leaving a lasting impact on the minds of the customers.





The world economy will have to navigate a difficult period ahead under the cloud of geopolitical uncertainty. While hoping for the best, businesses and households alike should hedge for potential disruptions and uncertainties.

Indian Economy

On the back of a rapid vaccination campaign and government support, India contained the impact of successive second and third waves of pandemic, while also balancing the objective of economic recovery. Subsequent upticks across a range of indicators, including the mobility index, direct tax collections, and electricity demand, reflect positive levels of economic growth. India is expected to be among one of the fastest growing major economies, with the Reserve Bank of India (RBI) projecting GDP growth to be around 9.2% in FY22 and 7.7% in FY23.

While private consumption still trails behind pre-pandemic levels, factors such as the opening up of mobility, growing consumer confidence, and higher capacity utilisation across manufacturing sectors, all point towards economic recovery. An increase in capital expenditure targets by the government and investments in the Infrastructure and manufacturing sector are expected to reduce the unemployment rate, which stood at a six-month high of 8.1% in February 2022.

However, retail inflation has been increasing steadily since September 2021 and stood at 6.07% in February 2022, owing to increasing oil prices, rising input costs and supply chain disruptions. Other issues such as semiconductor chip shortage and high commodity prices also pose challenges to the growth of industrial sector. The Monetary Policy Committee (MPC) of the RBI has maintained an accommodative stance to pursue growth and keep inflation within the target. The central bank anticipates inflation rate to be around 4.5% in 2023.

	2021	2022	2023
GDP	-7.3	9.2	7.7
Inflation	6.2	5.4	4.5
Unemployment Rate	10.1	9.2	9.1

Source: Ministry of Statistics and Programme Implementation

Exhibit 1: Economic Indicators

The predominant theme in the Union Budget of 2022-23 was its unprecedented focus on the creation and augmentation of physical and digital infrastructure. The budget also proposed the issuance of Sovereign Green Bonds to harness the untapped potential of the Indian green bond market along with other initiatives to help accelerate the adoption of green energy in the country. This unprecedented and intense focus on infrastructure serves objectives that are threefold:

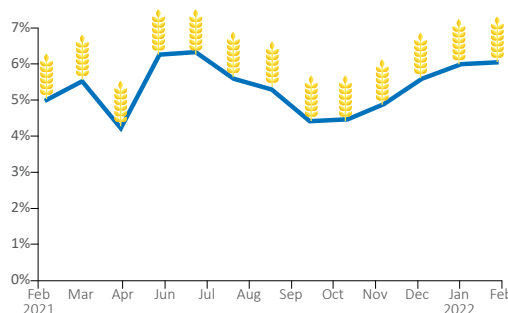


- Modernising and augmenting the country's stock of infrastructure assets in areas ranging from energy and transportation to urban and digital infrastructure
- Accelerating the pace of employment creation
- Reviving the economy to overcome pandemic-induced sluggishness

The GatiShakti National Masterplan for seamless multimodal connectivity continues to be the key focus area for augmenting transportation and logistics infrastructure. Government focus on driving Public Private Partnership (PPP) projects and extension of Production Linked Incentive (PLI) schemes to new sectors is expected to drive growth in domestic manufacturing and create more jobs. Initiatives such as reducing import duty and excise tax on fuel are some of the steps taken to reduce input costs and ease inflationary pressure on industry.

The Indian economy is expected to continue its positive growth trajectory, however, recent geopolitical developments are hurting domestic stock indices and creating volatility in crude oil prices and exchange rates. Given India's import dependence on crude oil, natural gas, and other commodities, a spike in inflation and in the current account deficit are aspects to be watched, particularly given the evolving geopolitical situation. Furthermore, uncertainty

about the fourth wave and virus mutations pose a significant risk for future growth of the Indian economy.



Source: Ministry of Statistics and Programme Implementation

Exhibit 2: Consumer Price Index (12 months) Industry Overview

Agriculture Sector

The second populous country in the world with a sizable population economically dependent on agriculture, India possesses the world's second-largest arable land resources. Known for its deep diversity, the country is bestowed with 20 agro-climatic regions, all the 15 major climates as well as 46 of the 60 soil types of the world.

India is the largest producer of spices, pulses, tea, cashew, milk, and jute, and the second largest producer of wheat, rice, fruits and vegetables, sugarcane, cotton, and oilseeds. The Country is also the largest producer of mango and banana, and holds the largest livestock population in the world.

Having already accomplished food security for its 1.3 billion people, Indian agriculture is shifting gears now towards nutritional security – for fast growing affluent, health conscious urban cohort in domestic market, and also lucrative exports destinations. With steady progress towards scientific agronomy, the agriculture sector has delivered a resilient year-on-year growth in total output of foodgrains as well as fruits and vegetables since last 5 years.

Still, the country lags behind advanced economies' agriculture in terms of yields, irrigation infrastructure, agri inputs consumption, farm mechanisation, adoption of modern agronomy, scale and spread of support infrastructure. Country's agriculture sector, hence, offers significant headroom for long term sustainable growth.

Having defied the pandemic dampener in the previous year with a 3.6% growth, the agriculture and allied sector is estimated to deliver an even higher 3.9% growth in 2021-22, higher base notwithstanding. As per the second advance estimate, India is likely to record all time high foodgrains production of 316.06 million tonnes in 2021-22, a growth by 5.32 million tonnes over the previous year production. This is the sixth straight year of output growth in food grains.

Total foodgrains (MT)	316.06
Rice (MT)	127.93
Wheat (MT)	111.32
Nutri / Coarse Cereals (MT)	49.86
Pulses (MT)	26.96
Oilseeds (MT)	37.15
Sugarcane (MT)	414.04
Cotton (MT)	34.06
Jute & Mesta (MT bales)	9.57

Exhibit 3: India Foodgrains Production (2021-22)

In Union Budget 2022, the Government of India made a total allocation of ₹1.32 lakh crore for the Ministry of Agriculture and Farmers' Welfare for 2022-23, which corresponds to a 4.3% increase over the revised estimates of 2021-22. Budget 2022 envisioned a multi-

pronged approach to increase farm yields and farmers' income. These include access to finance, access to the marketplace and access to new age technology and agronomy practices, drone technology, etc.

Budget 2022 - Agri Sector Highlights

- Initially focusing on the farmers, land along river Ganga within 5km corridor and later throughout the country, chemical-free farming will be promoted
- Support will be given for adding value post-harvesting, enhancing domestic consumption, and promoting products made of millet nationally and across the globe. 2023 is announced as an international millet year.
- A comprehensive and rationalized scheme to increase the production of oilseeds domestically will be implemented, this will be done so as to reduce the dependency on the import of oilseeds.
- A scheme in PPP mode will be launched to help deliver hi-tech and digital services to all the farmers along with the involvement of public sector research and institutions with stakeholders of the agri-value chain and private agri-tech players.
- For crop assessment, spraying of insecticides, nutrients, and digitalization of land records promotion of 'Kisan Drones' will be done.
- All the states will be suggested to revise their syllabus on agriculture in the universities to educate people and farmers about natural, zero budget, modern-day farming, organic farming, and value addition.
- A capital that will be raised under the co-investment model will be enabled via NABARD. This will help finance the startups for agriculture, applicable for farm produce value chain. There will be some activities for the startups which will include support for FPO, technology including IT-based support, and providing machinery on a rental basis at the farm level for farmers



Crop Protection Industry

Global scenario

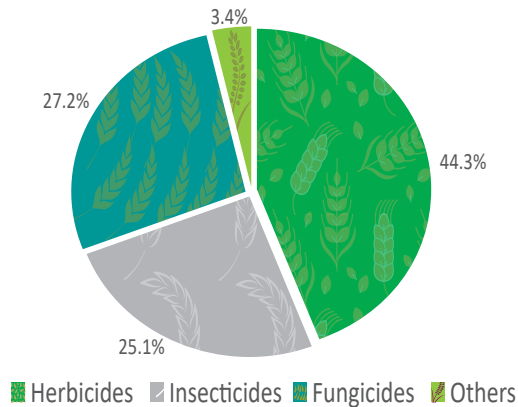
Steadily rising human and livestock population continues to drive demand growth for agricultural products – food and non-food. At the same time, contracting arable land pool and acreage under cultivation put pressure on agricultural output.

With millions of families upgrading to higher socio-economic classes, discerning dietary patterns are being adopted by nutrition and health conscious consumers. Consequently, the demand for non-staple food items – fruits, vegetables, dairy, meat, organic produce, etc. – too continues to grow at a healthy clip.

In the inverse relationship between reducing resources (input) and increasing throughput, yield enhancement can effectively bridge the gap. Crop loss on account of pest attack, disease etc., when minimised, not only helps meet the growing food demand but also ensure better farmer earnings.

Crop protection chemicals, hence, play a pivotal role in achieving food security, nutrition assurance, farm income accretion and sustainable farming. Positioned at the sweet spot of food and

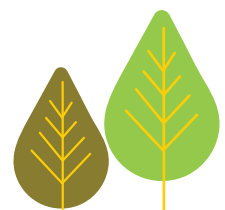
nutrition, the crop protection industry usually grows in line with the GDP growth.



Note: Total = \$65,206 million
Source: IHS Markit

Exhibit 4 : Global Crop Protection Market by Product 2021

In 2021 the value of the herbicide sector increased by 5.4% to an estimated \$28,893 million, equating to 44.3% of the crop protection market. A key driver boosting the herbicide market during the year has been high prices of products. Despite some regulatory and legal challenges in recent years, the molecule remains the largest active ingredient.



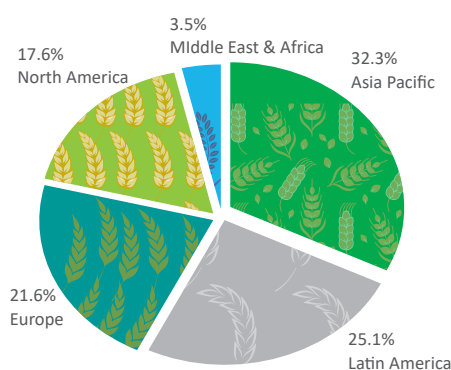
Fungicide sales increased by 4.3% to reach \$17,729 million, representing a 27.2% share of the global crop protection market. Insecticides experienced similar growth, rising by 4.2% during the year to reach \$16,382 million. These sectors benefitted from generally good growing conditions across the regional markets which have provided insect pests and diseases with favourable weather for population. Common across both insecticides and fungicides has been the growing adoption of biopesticides.

Global agrochemicals market is valued at \$73.80 billion in 2021. With estimated value of \$65.2 billion, crop protection segment contributed nearly 88% of it. Crop protection segment sales grew by ~ 4.7% in 2021 over \$62.3 billion as recorded in 2020. Herbicides sales grew by 5.4% while insecticides and fungicides sales grew by 4.2% and 4.3% respectively.

	2020	2021	Change 21/20%
Conventional crop protection	62,306	65,206	*4.7
Non-Crop agrochemical market	7,580	8,671	*10.5
Total agrochemicals	70,156	73,877	*5.3

Source: IHS Markit Crop Science

Exhibit 5: Agrochemical Markets 2021/2020 (\$m.)



Note: Total = \$65,206 million
Source IHS Market

Exhibit 6 : Global Crop Protection Market by Region 2021

Herbicides, insecticides and fungicides are the top three constituents of crop protection industry. Asia Pacific and Latin America are the top two consuming regions of agrochemicals and contribute more than 57% of global crop protection chemicals sales.

The Asia Pacific market is estimated to have grown by nearly 8.3 % to reach \$21 billion, during the year. Europe and North America markets are estimated to have grown by 7.1% and 7.3% to reach \$14 billion and \$ 9.1 billion respectively. In contrast, Latin America market is estimated to have declined by 3% to come down to \$16.3 billion, in 2021. The drop was influenced by currency headwinds and dry weather conditions.

Global growth in 2021 was driven by healthy demand across major consumption markets including Brazil, the US, China, Japan and India. The growth was aptly aided by improved weather conditions, favourable pricing environment and higher cultivated area across the key markets. Strong growth in

India has, however, resulted in the country overtaking Japan as the 4th largest market.

In the last few years, the global CPC industry has seen significant consolidation with major investments in biological, smaller businesses and product lines. Moreover, the stringent regulatory environment and increased consumer scrutiny has led to the adoption of greener chemistries and growth of biological portfolio.

Amid tightening scrutiny and environment regulations, continued growth of global CPC industry depends on cutting edge innovation and R&D capabilities across new molecules, new technology platforms and newer chemistries. Emergence of bio-pesticides is making a splash in the existing crop protection market. However, product features of bio-pesticides are so limited as compared with traditional CPC products that later has not gained popularity.

Indian CPC industry

India ranks as 5th largest producer, 4th largest exporter and 13th largest importer of agrochemicals in the world. Valued at \$2.1 billion in 2019, Indian crop protection chemicals market is estimated to grow by 4% annually to reach \$2.6 billion by 2024. India crop protection chemicals exports are projected to grow to almost 55% in the year 2024 (by value). In the year 2024, exports will grow to \$3.1 billion contributing 55% of total domestic production which is valued at \$5.7 billion. The agrochemical sector has been identified by government as one of the 12 Champion Sectors,



where India can be a global hub for manufacturing and export. The prospect of the sector is promising given the low penetration of the agrochemicals in India at 0.4 kg/ha as compared to up to 13 kg/ha in US, Japan, China etc. The key demand drivers are growing population, changing food habits and nutritional needs, crop diversification, climate change etc.

Indian CPC industry is well equipped to take a larger role in the new agrochemicals world order, one which is steadfast on diluting over-dependence on China and diversify supply chains. Favourable factors such as regulatory compliance, R&D capability, IP protection, low-cost manufacturing, government support and the scale and maturity of the Indian CPC industry shall power India to gradually expand its share in the global CPC domain.

Unlocking the growth potential of the Indian CPC sector will depend on three major factors. Firstly, improvements in trade and marketing of agrochemicals would increase scientific usage of agrochemicals. This can be achieved by improving agrochemical trade and empowering consumers through increased awareness and technology interventions. Secondly, increasing focus on production would further strengthen the agrochemicals sector. Increased efforts towards

R&D and capacity building, along with policy interventions, would help in positioning India as a global agrochemicals hub. Thirdly, a favourable policy environment for the agrochemicals sector would help in increasing agrochemical exports, attracting foreign investments in the sector and ensuring equal opportunities for all players.

Company's Business Overview

PI Industries is one of the India's leading agrochemical companies. Offering integrated and innovative products and solutions to its customers, PI enjoys tremendous brand recognition and a strong global presence built over the years on strong foundation of Trust, Integrity and Respect for IP. PI has exclusive rights from several global corporations for distribution of their products in India. It constantly evaluates prospects to further expand its product portfolio. The spectrum of services that PI provides to its customers are interwoven and spread across its value chain, ranging from research and development, product and application development, registration, manufacturing, marketing and distribution and

8.3%

growth is expected for the Asia Pacific market during the year



customer connect initiatives.

Over the past several decades, PI has worked relentlessly to provide value-added solutions to millions of farmers in the country and across the globe, carving a niche for itself in the market, and leaving a lasting impact on the minds of the customers. The strategic, differentiated and partnership approach has enabled the Company to grow at a faster pace, delivering superior returns to all its stakeholders.

Discovery, Development and Scale-up

During the year, the R&D team worked upon more than 40 products at different development stages and pipeline has more than 20% non-agchem products. PI crossed the milestone of having filed more than 130+ patents. The Company commissioned pharma lab at Udaipur (Rajasthan) and is also working on technology scale up of novel catalysts, enzyme technology and green chemistry (ecoscale). The Company's R&D and manufacturing teams are constantly working together to reduce environmental load, enhance safety and reduce cost.

PI is running a state-of-the-art integrated R&D set-up for crop protection, with chemical discovery, laboratory and green house facilities for biological testing and with farm resources for first field trials. This facility supports various R&D projects, with 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 testing (in vitro lab, in vivo lab, greenhouse and field) supported by biochemical and molecular biology research, and by formulation development – everything connected by an integrated high-end electronic data documentation and management system. A knowledge management unit, responsible for literature and patent search, patenting and intellectual property management, complements these activities.

The research assignments involve global innovator partners. PI's research strategy and implementation are well supported by a strong team comprising of more than 400 research scientists having expertise and international experience in chemistry, analytical techniques, biological and biochemical testing, mode of action, tox and e-tox studies, IP management and basic / detailed process engineering.

The Company continues to pursue cost leadership in which R&D team plays a vital role by carrying out process innovations for several existing products to identify cost improvement opportunities and at the same time maintaining highest standards of Quality, Health, Safety and Environment (QHSE). The Company's R&D and manufacturing teams are constantly working together to reduce environmental load, enhance safety and reduce cost..

Product Evaluation & Registration

PI has a world-class, highly competent product evaluation team, which is equipped with the best-in-class tools for data management, product characterisation and knowledge generation to help the Indian farmers reap rich harvests by the use of these new age chemical ingredients.

The Company also has a highly knowledgeable, skilled and capable team of registration professionals with deep understanding of Indian regulatory system to register products in India and also facilitate the registration services for the innovators seeking registration in India. The team specialises in planning and coordinating studies with CRO's related to bio-efficacy, residue and toxicological studies



in compliance with the applicable regulations for the purpose of quality data submission and regulatory approvals.

Manufacturing

PI has invested in state-of-the-art technologies in order to ensure the highest level of safety, product quality, productivity and consistency in the resulting products. The four integrated manufacturing facilities are cumulatively spread across 100+ acre land and include 15 multi-purpose plants. The manufacturing units are equipped with dedicated high-pressure reaction facilities with high level of futuristic automation. In addition, PI's 2 Formulation units at Panoli cater to domestic requirements of local as well as global clientele. The multi-purpose plants give PI the flexibility to produce new products in a short span of time and scale up to meet the demand of its clients. The manufacturing facilities are ISO 9001, ISO 14001, ISO 27001, ISO45001 ISO 50001 and ISO 17025 certified that conform to very high safety and environment management standards. The Company's formulation facilities process agrochemicals in WDG, WG, SC, E, EC, DP, GR, etc. and have a world-class warehousing facility. PI's manufacturing facilities are also equipped with the amenities that help recover, recycle, preserve and reduce water consumption, which in turn, boost its Green Initiatives.

Marketing & Distribution

PI has a rich legacy and track record in building strong brands and delivering on its customer promise by leveraging the strong marketing and distribution set up. The Company's marketing teams adopt a three-pronged approach in building powerful brands and creating strong recall value for its products. Pre-launch efforts include mapping the target users & markets, on-field training, generating testimonials, brand awareness and teaser campaigns. The product launch campaigns include theme, location and venue finalisation, stakeholder involvement and press & media coverage. Whilst, the post launch efforts include extensive branding & promotional activities, channel handholding, demand generation activities, geographical & crop label expansion and product stewardship.

Some of PI's major brands such as *NOMINEE*

GOLD, OSHEEN, BIOVITA, AWKIRA, ROKET, KEEFUN, ELITE, HUMESOL have a strong association with farmers and a strong recall value in the minds of the consumers. During the year under review, the Company has launched four new products namely '*DISTRUPTOR*', '*WAGON*', '*RODEO*' and '*DEFENSA*' for Rice & Horticulture segment.

Distruptor launch was very unique combination of hype localised village launches along with trade launches which made it receive special appreciation from the target audience.

The promotion strategy was a right mix of ATL & BTL action just to hit the right chord of the target audience. Live farmer meetings under Nominee Gold '*Datey Raho Campaign*', Product display contests '*Atoot Bandhan*' & '*Shine with Osheen*' for channel engagement, QR code on all POP items, '*Elite stories of Inspiration*' for brand *Elite, Awkira* online quiz for farmer engagement, intensive field & harvest days, and activations like '*Header ka Headmaster*' got very good acceptance from the farmers & channel alike. Also, focus on mass media tools-TVC telecast, FM-Radio also helped in gaining wider reach thus supporting the business. Inculcation of digital strategy to reach customer base efficiently and in time has added an edge to the marketing strength.

In its endeavour to promote product stewardship as one of the key drivers of its Agchem business, PI celebrated product stewardship day on 5th March 2022.

This spirit of stewardship was celebrated by



organising 167 farmer meetings across the country through which 10,173 farmers were addressed and made aware about “Safe use of Pesticides” using different communication tools. Special emphasis was laid on use of appropriate personal protective equipment.

Stepping up over last year, Product stewardship Day was also celebrated with the scientific community of 10+ Agri. Institutes through various physical & virtual sessions in which participation of 600+ participants was witnessed.

Customer Connect

Keeping the ideology of “Customer First” at the core of its business model, PI strongly believes in creating a sustainable ecosystem with cutting edge technology where the Channel partners create as well as deliver value for the farmers by using top quality products. PI over the years has demonstrated unparalleled customer experience by improving transparency and ease of doing business, and now using digitisation PI is going a step ahead to deliver value at the doorsteps for all its stakeholders. Today, our well-trained field officers are actively engaging with 3 Million Farmers on ground providing them with the timely and effective consultation helping them to increase yield and productivity.

PI’s business partners are continuously being supported and equipped with the latest business tools and experienced manpower. This enables them to be part of the PI’s Outreach programs, involving them along with the field force to carry out regular visits to the villages and farmers, arranging large group meetings where they are imparted with knowledge and trained on the improved methods of agriculture.

Financial Review

During FY2021-22, PI’s revenue grew by 16% to ₹ 5,299 crore as compared to ₹ 4,577 crore in the previous year. The Company saw strong growth in export of 20% in FY 2021-22, contributing to the volume growth of existing products and commercialisation of new products. Domestic revenues were up by 4%, falling well in line with the Company’s business plan.

PI’s Net Profit for the year saw a healthy 14%

growth to ₹ 844 crores from ₹ 738 crores in FY 2021-22. EBITDA margin dropped slightly on account of operating expenses increase of 24% mainly attributable to sharp increase in fuel prices leading to increase in utilities cost, one-time expenses pertaining to strategic initiatives, COVID-19 relates expenses etc.

Net worth of PI Increased by 15% over last year to ₹ 6,105 crore in FY 2020-21 due to increased operating profits. As on March 31st, 2022, the Surplus Cash net of Debt stood at ₹ 2164 crore, including QIP net proceeds of ₹ 1975 crore. Debt equity ratio was at 0.04 as compared to 0.06 in the previous year. The Board of Directors have recommended a final dividend of 300% which is ₹ 3/- per share. This, in addition to interim dividend of ₹ 3 that was already declared in FY 2021-22, takes the total dividend to ₹ 6/- per share for the financial year.

The Company saw significant improvement in its Free Cash Flow and Gross Cash during FY 2021-22. Total CAPEX entailed in FY 2021-22 was ₹ 320 crore, order book position continues to stay strong at \$1.4 billion with high visibility growth for the next couple of years.

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

Particulars	FY 2021-22	FY 2020-21
Earnings per Share (EPS)	55.65	49.92
Current Ratio	3.68	3.57
Debt Equity Ratio	0.04	0.06
Operating Profit Margin (%)	21.6%	22.1%
Net Profit Margin (%)	15.9%	16.1%
Inventory Turnover	2.36	2.78
Debtors turnover	5.71	5.72
Interest Coverage Ratio	89.19	36.05
Return on Net worth	14.7%	18.5%

Internal Control Systems



Your 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 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 respective process owner. In addition, the Company has a well-defined financial delegation of authority, which ensures approval of financial transaction 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 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 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, 2022.

Risk Management

The Company's risk management framework encompasses practices relating to the identification, analysis, evaluation, treatment, mitigation and monitoring of the strategic, operational, and legal & compliance risks to achieve its key business objectives.

Risk Management is aimed at minimising the adverse impact of these risks, thus, enabling the Company to leverage market opportunities effectively and enhance its long-term competitive advantage. The focus of risk management is to assess risks and deploy mitigation measures. This is done through periodic review meetings of the management.

PI has a CFT team under capital expenditure process wherein it identifies potential risks. The Company's top management conducts regular and periodic reviews on the high-

16%

revenue growth during FY 2021-22 as compared to previous year.



level projects. In addition, PI has a robust business continuity plan in place that keeps it ready to make necessary adjustments to ensure business continuity in case of any exigent event surfacing from its operating environment. The almost immediate reactivation of its business at the time of the sudden lockdown was a small testament of efficacy of its business continuity plan.

The Company’s Risk Management Committee comprises of four members, all of them being Board members including one Independent Director. Risk Management Committee is continuously provided with risk-specific education through which they are informed about latest-risk management practices and are equipped to assess various forms of risks.

The primary responsibilities of the Committee include:

- Formulate a Risk Management Framework and recommend the said framework and any amendments thereto to the Board for its approval.
- Establish that appropriate methodology, process and systems are in place to monitor, evaluate and report risks associated with the business.
- Review the adequacy of the existing measures to mitigate various risks.

- Evaluate and approve new risks and mitigation measure that may be recommended by the Chief Risk Officer in respect of any function and review the action for its implementation on an ongoing basis.
- Evaluate and direct that appropriate processes and systems are in place to monitor, evaluate and report cyber security risks associated with the business of the Company and to review the adequacy of the existing measures to mitigate the said risk.

Ms. Shilpa Sachdeva is the appointed Chief Risk Officer of the Company.

Human Resources

The tremendous efforts of our people have enabled us to not only successfully navigate the Covid-19 pandemic and its aftermath but also have ensured our growth trajectory remains on the upward curve. Employee health and wellbeing continued to be a key priority in our efforts to make return-to-work seamless. In the spirit of caring:

- The Company implemented comprehensive Workplace safety guidelines to enable return-to-work plans.
- Initiatives like Company-supported vaccination program and new Mediclaim policy; extending support for Corona victims were launched. The Company partnered with hospitals and doctors to provide Covid-19 care support during the year.

Talent Strategy & Leadership Development

The ability to attract, motivate, develop and retain the right talent is critical to PI’s continued success. The Talent strategy has been formalised and the same is being implemented. Along with this the Employer Brand has been worked which will enhance the Employer Value Proposition of PI and make it an attractive place for talent to walk in.

As we continue to work with speed and courage to respond to the challenging events this year, the ability to attract and retain talent helps build our competitive edge and ensure



sustainability. Towards that goal, we continue to build our human capital internally.

- In line with a focus on safety and sustainability and embedding ESG as a way of life, we have hired and added experience in EHS, process safety, and workplace safety roles strengthening the team
- Project Agaman (Onboarding) continues to be improved using technology for a superior new joiner experience and efficient assimilation
- Project Uday for campus hires with its campus-to-corporate focus

Learning and Development

In line with the philosophy of *People First*, the organisation has focused on developing employees and helping them grow in their roles as well as be prepared for future roles. Project Udbhav was conceived and implemented to identify and develop high potential employees.

In addition, there was a huge focus on ensuring deep functional skilling. For example, a Process Safety program was designed and conducted in partnership with IIT Madras to develop a strong safety culture.

In our endeavour towards democratising learning, all our employees have access to more than 2,500 online modules from Skillsoft ranging from a variety of subject areas from interpersonal development to operations management to EHS and risk. All of this has resulted in upwards of 23,000 hours of learning being provided to our employees..

Culture & Employee Engagement

To help propel PI into the next growth phase, our Purpose, Vision, Spiky Capabilities, and Values have been redefined. These together will be the organisation's Compass to give our employees a sense of direction, build affinity amongst the PI family, and develop a high-performance culture. 'Compass' has been finalised and is being cascaded across organisations through change management agents.

Engaging with and motivating the employees is key to the 'caring' agenda of the Company. With that aim, we have been undertaking

initiatives such as family quizzes, laughter yoga sessions, Rangoli & poster making, and providing counselling sessions to children in 10th and 12th standards - to celebrate the spirit of the PI family.

We continue to recognise our employees for demonstration of the values, while we continued to maintain leadership connect with skip-level meetings, and red carpet events. We reaffirm our commitment to promoting diversity by celebrating the occasion of Women's day across our locations.

Performance Management

Performance management is the fulcrum to all HR processes and key to building a culture of high performance and growth. In order to ensure better alignment to business goals, build people capability and enable people performance, we adopted Balanced Scorecard approach. In addition, we are on track to close the annual appraisal and increment cycle this year by May, emphasising our commitment to efficiency and adherence to timelines.

In line with our compensation policy, we made market corrections where necessary with a view to retaining high-performing talents well as ensuring that pay levels and structure are competitive vis-à-vis market.

Overall, we are taking rapid steps to prepare PI and its employees to be change agile, have a collaborative mindset and be future ready for the new opportunities.

Information Technology

In the face of Covid, the previous year taught us digital agility, flexibility and being nimble footed thereby helping us adopt new age digital tools. These enabled your Company in achieving an outstanding performance in spite of the many issues that emerged due to the pandemic. The present year FY 2021-22 also presented us with its own challenges with the recurrence of Covid and disruption of Supply Chains coupled with numerous lockdowns. The ability to continue to deliver our promises and commitments to our customers in our CSM Agchem business implied that our manufacturing facilities continued to deliver optimally. State of the art digital solutions for managing manpower at the manufacturing facilities including face-recognition based



attendance system etc ensured minimal contact and spruced confidence in the workforce. In addition, our Agchem Brands business that required diligent and meticulous planning coupled with a focussed approach on demand generation, adopted and ingrained a multitude of digital tools to virtually connect to the channel partners and farmers where physical presence was not feasible.

The digital strategy of PI is focussed on delivering value to our businesses and customers by leveraging state of the art and cutting-edge digital technologies. The core of our strategic digital initiatives this year were centred around the basic tenets of continuing to build and deliver on our digital roadmap, extending and enhancing existing platforms, adding new digital initiatives, focusing on cyber security, scaling up our data centre and catering to mergers and acquisitions.

As you are aware, your Company acquired Isagro Asia Ltd and created a new Company Jivagro Ltd specialising and focusing in the horticulture segment thereby enhancing PI's already vast and diverse product portfolio. Jivagro Ltd was duly integrated with the PI digital eco system with the activation of all functional modules of SAP, our ERP system as a new Company. With this, besides a slew of digital tools such as myPI - our corporate Intranet, IT service management, Success Factors etc., we also extended our cutting edge Agri Digital Platform power to Jivagro Ltd allowing the Company to digitally transact and conduct business with their channel partners, farmers, retailers, etc. This deep digital

integration also resulted in numerous benefits that are accrued due to implementation of standardised policies and practises that act as a force multiplier in the overall agri business creating vast opportunities due to synergies derived digitally. The manufacturing facilities of Isagro Asia Ltd were amalgamated into the PI Organisation and dovetailed with our Panoli manufacturing facilities into a single manufacturing unit within our CSM Agchem business. The amalgamation saw the extension of all of PI 's digital tools and technologies to the newly joined unit and personnel who welcomed and derived immense benefit from our digital platforms such as LIMS, CIGMA etc.

This year also saw extension of the *mPower* platform to our channel partners for carrying out business transactions. The channel order module was added to our platform allowing our channel partners to directly place and track their orders via their mobile application (PI Mitra). The app also allows our channel partners to view their order status and account statements besides many other features. Our initiatives in Track and Trace for QR coding all our brand products was completed for all our formulation lines. This was also extended to Jivagro Ltd ensuring that all their products are QR Coded at the SKU level ab-initio. Your Company as always has been ahead of the curve in exploring new technologies. Accordingly, we researched the use of drones in spraying and carried out numerous trials with different products and crops. Needless to say, we are well on our way in creating and strategising the use of drones for various applications in agriculture in India.

PI had successfully launched *SAP ARIBA*, a top of the line end to end digital procurement platform in the previous year. This platform has been a grand success with an excellent adoption across the Company. This year your Company implemented the Supplier Lifecycle Module of ARIBA that ensures end to end vendor lifecycle processes from vendor onboarding, selection, assessment to vendor certificate management. We also implemented the Digital Suppliers Network (DSN) in ARIBA that has enabled processing of digital invoices directly from vendors. This has ensured efficiency, faster turnaround times, transparency and standardisation for our suppliers. In view

of our focus on Environment, Health and Safety, your Company implemented a state-of-the-art surveillance and security system at our Jambusar manufacturing facilities. This surveillance system uses a network of high-end smart cameras with cutting edge AI technologies to improve our on-site safety related compliances besides extensively and proactively monitoring our security within and at the periphery of the site.

Electronic Laboratory Notebooks (ELN) , our R & D platform has been augmented to include a variety of protocols and workflows involving a number of trials and studies. In addition, a number of AI based tools and technologies have been implemented for specific requirements of our scientists to aid in faster decision making and shortening project lifecycles.

Despite the many challenges, your Company has been ahead of the curve in meeting and delivering on its digital agenda and remains ahead of the curve with respect to its peers in the Industry.

Business Outlook

The forecast of another normal monsoon for the crop year 2022-23 augurs well for the Indian agriculture sector. This will be the seventh consecutive year of normal monsoon with the latest IMD (Indian Meteorological Department) forecast upgrade to 103% of LPA. Production of foodgrains as well as fruits and vegetables are likely to follow trends in delivering another year of record throughput.

Domestic demand for agrochemicals, hence, are likely to maintain its growth trend. This, in turn, brightens PI's prospects in the domestic agrochemicals segment. The Company is also likely to benefit from the maturing of its new product launches of the recent year. In addition, the Company is planning to launch 5 new products in the domestic markets in FY 2022-23. Moreover, its focussed approach to horticulture segment through *JIVAGRO* coupled with a healthy pipeline of new launches shall support growth in domestic markets in FY 2022-23 and beyond.

In exports, the Company continues to maintain a healthy order book as a solid foundation of revenue visibility and growth. With scheduled

commercialisation of 7 new molecules and 2 new process innovations, is well placed to sustain its growth and profitability trends in FY2022-23. In addition, Company's non-agchem enquiry portfolio continues to make healthy qualitative and quantitative progress. On the back of some of these enquiries entering commercialisation stage in FY23, PI's CSM business is not only pegged to continue its growth momentum but also strengthen a non-agchem foundation.

Company's increasing investments and activities in R&D domain shall keep sharpening its scientific prowess and complex chemistry capabilities to not only thicken stickiness of its existing innovator customers but also attract many new innovator customers from agchem space and beyond.

On the back of all these factors, PI is headed to further consolidate its comparative position as a leading specialty chemicals player from India, uniquely positioned with twin growth engines of domestic agrochemicals and export businesses.

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.

With scheduled commercialisation of 7 new molecules and 2 new process innovations, is well placed to sustain its growth and profitability trends in FY23.



Board's Report

Dear Members,

Your Directors are pleased to present the 75th Annual Report on the business and operations of the Company together with the Audited Financial Statements for the financial year ended March 31, 2022.

1. FINANCIAL HIGHLIGHTS (STANDALONE)

(₹ in Mn)

Particulars	FY 2021-22	FY 2020-21
Revenue from Operations	50,769	43,611
Other Income	999	1,173
Profit Before Interest, Depreciation and Tax	12,112	11,021
Interest	123	284
Depreciation	1,984	1,720
Profit before Tax & Exceptional items	10,005	9,017
Less: Current Tax	1,852	1,670
Deferred Tax	(44)	242
Profit after Tax	8,197	7,105
Add: Other Comprehensive Income	87	699
Total Comprehensive Income	8,284	7,804
Balance of retained earning brought forward from previous year	28,563	22,060
- Profit for the year	8,197	7,105
- Other Comprehensive Income (OCI) for the year	87	699
Appropriations: -		
Final Dividend on Equity Shares 2019-20	303	152
Interim Dividend on Equity Shares 2020-21	455	455
Dividend Distribution Tax on Equity Shares	0	0
Transfer to General Reserve	0	0
Balance Profit carried forward	36,008	28,563
Earnings Per Share - Basic (in ₹)	54.03	47.98
- Diluted (in ₹)	54.03	47.97

2. KEY HIGHLIGHTS

Your Company's Revenue from Operations for the year ended March 31, 2022 on standalone basis stood at ₹ 50,769 Mn as compared to ₹43,611 Mn previous year registering a growth of 16.41% on YoY basis. The Operating Profit for the year was at ₹ 11,113 Mn as compared to ₹ 9,848 Mn previous year i.e. an increase of 12.84 % YoY. The Net Profit for the year on standalone basis stood at ₹ 8,197 Mn as compared to ₹7,105 Mn in the previous year i.e. a growth of 15.37 %YoY.

Your Company's Revenue from Operations for the year ended as on March 31, 2022 on consolidated basis stood at ₹52,995 Mn as compared to ₹ 45,770 Mn previous year, registering a growth of 15.78% on YoY basis. The Company's Net Profit for the year ended March 31, 2022 on consolidated basis stood at ₹ 8,438 Mn

during the year as compared to ₹ 7,383 Mn in the previous year, a growth of 14.29% YoY.

The Earnings per share (EPS) for the year stood at ₹ 55.65 per share, shows a growth of 11.47 % as compared to ₹ 49.92 per share for the previous year.

Your Company invested ₹ 3191 Mn in fixed assets for expansion of manufacturing and Research & Development capacities.

No amount was transferred to general reserves during the year.

Incorporation of a wholly owned subsidiary

Your Company incorporated one wholly owned subsidiary having its registered office in the State of Rajasthan for carrying out pharma activities namely:

- PI Health Sciences Limited, bearing CIN U24290RJ2021PLC076803 vide Certificate of Incorporation dated September 03, 2021 issued by Central Registration Centre, Ministry of Corporate Affairs.

Amalgamation

Scheme of Amalgamation of - Isagro (Asia) Agrochemical Private Limited (Transferor Company) with PI Industries Limited (Transferee Company).

During the year under review, Isagro (Asia) Agrochemicals Private Limited business other than B2C got merged with PI Industries Limited vide order passed by the Hon'ble NCLT, Jaipur Bench dated December 06, 2021. The certified copy of order issued by the Hon'ble NCLT, Jaipur on December 15, 2021 was filed with ROC, Jaipur and Mumbai on December 31, 2021 making the merger effective from December 31, 2021. Consequently, Isagro (Asia) Agrochemicals Private Limited stands dissolved.

3. BUSINESS PERFORMANCE

During the year under review, your company launched three new products namely DISTRUPTOR (Insecticide) DEFENSA and WAGON (Fungicides). Disruptor is for the control of Brown Plant Hoppers (BPH) in rice and has a wide acceptance across major rice growing markets in India. Defensa and Wagon are the fungicides for horticulture crops and rice respectively.

Adverse weather events in Kharif and continued disruptions owing to COVID impacted the overall demand pattern in first half. However healthy water levels in reservoirs because of late monsoon rains boosted the rabi crop acres across the country, your company gained its market share in Wheat and Chilli crops as well as in Biological segments. In spite of various challenges in rice herbicide market in Kharif, your company was able to hold on to market share of Nominee Gold, a flagship rice herbicide of the company. Your Company was also able to successfully scale up of Awkira, a new generation wheat herbicide, with area treated has gone up by 3 times. Concerted efforts in Chilli geography in the rabi season has helped to gain market share in Chilli crop. In brand sales, growth was well supported by 'Bio-vita', 'Humesol', 'Awkira', 'Keefun', 'Snailkil' & 'Header'. Regulatory delays in securing the approval for new products delayed many of the new launches during the year and has some impact on the business for the year.

Digital initiatives and approaches helped to reach wide range of customers in a cost-effective and efficient way. Company has made investments into digital tools to stay ahead of the competition in the market place. Your Company expanded the usage of 'ARIBA' a sourcing platform and Automated Fleet Management of Application Spraying Services. Your Company has been focusing on introducing an advanced line-up of innovative products on the key crops to address the farmers needs as well as to grow the business. Many products are in the pipeline, the intent is to develop and introduce novel products, strengthening of existing partnerships & forging of new alliances, channel expansion and focus on creating a better customer experience are some of the key strategic initiatives that are expected to drive the growth in the coming years.

FY22 witnessed many firsts for your Company's export enabling it to post a resilient performance in turbulent times. Your Company's exports grew ~21% as compared to previous year on account of increase in volume growth of existing products, addition of new products as well as commissioning of a new Plant at Jambusar SEZ.

Your Company successfully commercialized 9 new molecules during the year which also included 2 new Electronic Chemicals marking your Company's foray into this niche specialized field offering promising potential in future. Continuing on its thrust in investing for the future and ramping up its capabilities, your Company has operationalized "Flow-Chemistry" at Pilot level and also successfully commissioned manufacturing facility for MMH and established Azide chemistry at a commercial scale.

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

Various new technology absorption measures were also undertaken at plants. In line with Industry 4.0 best practices, your Company implemented new age AI powered surveillance program and initiated deployment of other analytical tools with an aim to increase safety, production & asset efficiency at Jambusar SEZ.

Your Company continues to work towards sustainable manufacturing increasing share of renewable energy in total energy sourcing and has further undertaken concrete measures for reduction of carbon footprint and water consumption.

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

Your Company adeptly navigated through the devastating 2nd and 3rd waves of COVID by taking swift pre-emptive measures, including setting up Bio-bubbles for strategic locations, following strict COVID related SOPs and ensured business continuity and delivery commitments.

4. AWARDS AND RECOGNITIONS

Your Company has emerged as one of the top quintile companies in its very first **S&P Global Corporate Sustainability Assessment (CSA) with 82% percentile industry ranking** in the results announced on 12th Nov 2021. These scores/rankings reflect PI's commitment to fully integrate ESG principles into the Company's business strategies and operations.

Mr. Mayank Singhal, Vice Chairperson and Managing Director, PI Industries Ltd. was ranked amongst **India's Best CEO** in Agriculture and allied sector in the BT-PwC India's Best CEOs ranking.

Your Company has been presented with two esteemed awards- **Heritage Company of the Year** and **Lifetime Contribution to Indian Agrochemical Industry** at the recently held FICCI-organised India @75: Chemical and Petrochemical Industry Awards 2021. The awards were distributed by Smt. Anupriya Patel, Hon'ble Minister of State, Department of Commerce, Ministry of Commerce & Industry, Government of India, in the presence of senior officials from the Department of Chemicals and Petrochemicals, Government of India, Industry captains, other stakeholders of the sector.

Your Company has bagged the prestigious '**Golden Peacock Award for Sustainability**' for the year 2021 in the Chemical sector. Your Company was adjudged winner from among 199 applicants through a rigorous 3-tier assessment process on parameters that exemplified commitment to excellence and high level of quality, the award is a testament to our strategic work and practices that are bringing about sustainable transformation.

Your Company received **Certificate of Appreciation, Karkhana Suraksha Puraskar-2022** as an honour of high safety standards in plants.

Your Company has been awarded as **Best Indian Supplier of 2021 by Iharabras S.A. Indústrias Químicas, Brazil** as a recognition of the commitment to manufacturing best quality products coupled with highest delivery and service standards.

Your Company featured as one of the 26 Indian companies in **Forbes Asia Best under a Billion 2021**.

5. RESEARCH & DEVELOPMENT (R&D)

During the year, the R&D team successfully carried out feasibility analysis of 48 Projects. 20 molecules were taken up for next stage of development. The year gone by saw a total of 10 projects successfully reaching the commercialization phase. As a part of product lifecycle management, the team also undertook process improvements for 9 projects in order to identify and implement cost & efficiency improvement opportunities at the plant level. Your Company crossed the milestone of having filed more than 130+ patents. Your Company commissioned pharma lab at Udaipur (Rajasthan) and is also working on technology scale up of novel catalysts and green chemistry (ecoscale). The Company's R&D and manufacturing teams are constantly working together to reduce environmental load, enhance safety and reduce cost.

Your Company is running a state-of-the-art integrated R&D set-up for crop protection, with chemical discovery, laboratory and green house facilities for biological testing and with farm resources for first field trials. This facility supports various R&D projects, with 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 testing (in vitro lab, in vivo lab, greenhouse and field) supported by biochemical and molecular biology research, and by formulation development – everything connected by an integrated high-end electronic data documentation and management system. A knowledge management unit, responsible for literature and patent search, patenting and intellectual property management, complements these activities.

The research assignments involve global innovator partners. Your Company's research strategy and implementation are well supported by a strong team comprising of more than 400 research scientists having expertise and international experience in chemistry, analytical techniques, biological and biochemical testing, mode of action, tox and e-tox studies, IP management and basic / detailed process engineering.

Your Company continues to pursue cost leadership in which R&D team plays a vital role by carrying out process innovations for several existing products to identify cost improvement opportunities and at the same time maintaining highest standards of Quality, Health, Safety and Environment (QHSE). The Company's R&D and manufacturing teams are constantly working together to reduce environmental load, enhance safety and reduce cost.

6. FINANCE

Your 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 ₹ 4,865 Mn. Your Company follows a prudent financial policy and aims at maintaining an optimum financial gearing. The Company's Debt to Equity Ratio was almost 0.04 as on March 31, 2022.

During the year, 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 also a vote of confidence reposed in your Company's financials.

7. DIVIDEND

During the year, the Board of Directors of the Company declared an interim dividend of ₹ 3/- per equity share in its Board Meeting held on February 03, 2022 on 15,17,18,118 equity shares of ₹ 1/- each which was paid on March 02, 2022. The Directors are pleased to recommend a final dividend of ₹ 3/- per equity share of ₹ 1/- each, which if approved at the forthcoming Annual General Meeting, 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 fixed for this purpose. The total dividend for the year would be ₹ 6/- per equity share carrying face value of ₹ 1/- each.

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 also as a mean 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 Board while declaring a dividend. Dividend Distribution Policy is uploaded on the website of the Company which can be accessed at [https://www.piindustries.com/Media/Documents/Dividend%20Policy%20\(f\).pdf](https://www.piindustries.com/Media/Documents/Dividend%20Policy%20(f).pdf)

8. SUBSIDIARIES & JOINT VENTURES

As on March 31, 2022, your 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 Subsidiary Companies and Joint Ventures.

The key highlights of these Subsidiaries and Joint Venture Companies are as under:

SUBSIDIARY COMPANIES

i) PI Life Science Research Limited

Your 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 ₹ 36.94 Mn earned on account of various R&D activities for developing new products.

ii) PI Japan Co. Limited

Your Company owns 100% stake in PI Japan Co. Limited, a Company based in Japan which takes care of business development activities of your Company in Japan. The Company posted a net profit of JPY 3.41 Mn during the year ended March 31, 2022. 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.

iii) PILL Finance and Investments Limited

Your Company owns 100% stake in PILL Finance and Investments Limited. The Company posted a profit of ₹ 2.77 Mn during the year ended March 31, 2022.

iv) Jivagro Limited

Your Company owns 100% stake in Jivagro Limited. The Company is engaged in horticulture business. The total revenue of Jivagro Limited stood at ₹ 2,821 Mn with net profit of ₹ 156 Mn posted during the year ended March 31, 2022.

v) PI Bioferma Private Limited

Your Company owns 100% stake in PI Bioferma Private Limited. During the year, the Company's name was changed from PI Enzachem Private Limited to PI Bioferma Private Limited to align with proposed business activities of the Company.

vi) PI Fermachem Private Limited

Your Company owns 100% stake in PI Fermachem Private Limited. The Company is at present exploring various business opportunities in order to start its business operations.

vii) PI Health Sciences Limited

Your Company incorporated a wholly owned Subsidiary named PI Health Sciences Limited on September 03, 2021 with its registered office at Udaipur to carry out pharma activities. 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, 2022.

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. Your Company holds 49% stake in Solinnos through its subsidiary Company namely PI Life Science Research Limited whereas remaining 51% stake is held by MCAG, Japan. The Company posted a net profit of ₹ 0.58 Mn during the year ended March 31, 2022.

ii) PI Kumai Private Limited

PI Kumai Private Limited ('PI Kumai') is mainly engaged in manufacturing & trading of agrochemicals in collaboration with Kumiai Chemical Industry Co. Ltd, Japan who owns 50% stake in this joint venture. Your Company holds remaining 50% equity in PI Kumai through its subsidiary Company namely PI Life Science Research Ltd. The aforesaid joint venture posted a profit of ₹ 70.61 Mn during the year ended March 31, 2022.

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 Company have been placed on the website of the Company i.e. www.piindustries.com.

- iii) During the year, your Company entered into a Joint Venture Agreement with Polymath Holding LLC ("Polymath") on October 11, 2021 for undertaking the business of development, manufacturing and selling of biochemistry products and pharma intermediates. However, due to non-completion of many important conditions precedent and disagreement on certain key matters, both the parties have mutually decided not to pursue the intended joint venture and record termination of the JV Agreement.

9. RISK MANAGEMENT

Your Company has a well-defined risk management framework in place which inter alia, includes identification of risks, including 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 continuing basis.

Pursuant to Regulation 21 of Listing Regulations, your Company has constituted a Risk Management Committee of the Board. As on March 31, 2022, the committee comprises of 4 Members

including 1 Independent Director of the Company. The Committee meetings took place on September 23, 2021 and March 21, 2022 respectively. The Committee is authorized to monitor and review risk management plan apart from reviewing and recommending the modification to the Risk Management Policy, if any. Ms. Shilpa Sachdeva acts as Chief Risk Officer of the Company.

10. INTERNAL FINANCIAL CONTROLS AND ITS ADEQUACY

Your 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 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 respective process owner. In addition, the Company has a well-defined financial delegation of authority, which ensures approval of financial transaction 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 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 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, 2022.

11. RELATED PARTY TRANSACTIONS

All arrangements / transactions entered into 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 into 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 Note no 35 of the financial statements.

Prior omnibus approval of 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 as

approved by the Board is uploaded on the Company's website and can be accessed at

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

12. AUDITORS

At the Annual General Meeting held on September 06, 2017, the present statutory auditors, M/s. Price Waterhouse Chartered Accountants LLP (ICAI Registration No-012754N/N500016), were appointed as statutory auditors of the Company for a period of 5 years viz., till the conclusion of 75th Annual General Meeting to be held in 2022.

Based on the recommendation of Audit Committee, the Board of Directors of the Company at their meeting held on May 17, 2022, have made its recommendation for re-appointment of M/s. Price Waterhouse and Co. Chartered Accountants LLP (ICAI Registration No-012754N/N500016), as the Statutory Auditors of the Company by the Members at the forthcoming Annual General Meeting of the Company for a second term of 5 years. Accordingly, a resolution proposing appointment of M/s. Price Waterhouse and Co. Chartered Accountants LLP, as the Statutory Auditors of the Company for a second term of five consecutive years i.e. from the conclusion of 75th Annual General Meeting till the conclusion of 80th Annual General Meeting of the Company pursuant to Section 139 of the Companies Act, 2013, forms part of the Notice of the 75th Annual General Meeting of the Company. The Company has received their written consent and a certificate that they satisfy the criteria provided under Section 141 of the Act and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder.

Cost Auditor

Pursuant to the directives issued by the Central Government, an audit of the cost records relating to Insecticides (Technical grade and formulations) manufactured by the Company is required to be conducted by an auditor with the requisite qualifications as prescribed under Section 148 of the Companies Act, 2013. Your 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 ending 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, your 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), Practising 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, 2022. The Secretarial Audit Report for the financial year ended March 31, 2022 has been

obtained and does not contain any qualification, which requires any comments from the Board. The Secretarial Audit Report for the financial year ended March 31, 2022 is annexed to this report as **Annexure 'B'**.

13. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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 Note No. 7(a) to the financial statements.

14. DEPOSITS

Your Company has not accepted any public deposits during the financial year 2021-22 and no amount of principle or interest was outstanding as on March 31, 2022.

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

During the year, Company had transferred an amount of ₹ 7,95,748/- 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 Annual General Meeting held on September 14, 2021 on the Company's website and same is also available on the website of the Ministry of Corporate Affairs. The details can be viewed at Company's website at following link:

<https://www.piindustries.com/investor-relations/Investor-Information/Shareholders-Information>

Pursuant to the provisions of Sec 124 of the Companies Act, 2013 read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has transferred 3,620 and 60 equity shares on May 04, 2021 and November 03, 2021 respectively, pertaining to shareholders in respect of which dividend remained unclaimed for a period of seven consecutive years to demat account of 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. Mr. Naresh Kapoor, Company Secretary acts as a Nodal Officer of the Company for IEPF matters.

16. BOARD AND COMMITTEES

Board of Directors

Your Company is managed and controlled by a Board comprising an optimum blend of Executive, Non-Executive and Independent Directors. The Chairperson of the Board is a Non-Executive Independent Director. As on March 31, 2022, the Board of Directors comprised of ten (10) Directors out of whom two (2) are Executive Directors including Vice Chairperson & Managing Director and Joint Managing Director apart from eight (8) Non-Executive Directors, out of which six (6) 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 SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 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.

Dr. K.V.S. Ram Rao (DIN: 08874100) was appointed as a Whole-time Director of the Company w.e.f. May 18, 2021. His appointment was further regularised at the Annual General Meeting of the shareholders of the Company held on September 14, 2021. Further, Dr. K.V.S. Ram Rao resigned as Whole-time Director of the Company w.e.f. January 01, 2022. The Board places on record its appreciation for the services provided by him during his association with the Company.

Keeping in view the valuable contributions made by Mr. Rajnish Sarna, the Board on the recommendation of the Nomination and Remuneration Committee has elevated the position held by Mr. Rajnish Sarna as Joint Managing Director w.e.f. May 18, 2021 and same was also approved by shareholders in their Annual General Meeting held on September 14, 2021.

Mr. Shobinder Duggal (DIN: 00039580) was appointed as an Additional Director on the Board of the Company w.e.f. November 12, 2021. Your Directors recommend his appointment as an Independent Director to the shareholders to be made at the forthcoming Annual General Meeting.

Dr. Raman Ramachandran stepped down from his executive role of Managing Director & CEO and became a Non-Executive Non-Independent Director on the Board of the Company w.e.f. January 01, 2022.

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Rajnish Sarna (DIN: 06429468) retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment for the approval of the members at the forthcoming Annual General Meeting.

Your Company has received declaration(s) from all the Independent Directors confirming that they meet the criteria of independence.

Details, as required under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, in respect of Directors seeking appointment/re-appointment subject to approval of shareholders at the ensuing annual general meeting (AGM) are given in the notice of AGM.

Changes in Key Managerial Personnel

Mr. Rajiv Batra resigned as Group Chief Financial Officer of the Company w.e.f. July 31, 2021. The Board places on record its appreciation for the services provided by him during his association with the Company.

Mr. Manikantan Viswanathan was appointed as the Chief Financial Officer of the Company w.e.f. August 01, 2021

There has been no change in any other Key Managerial Personnel of the Company during the year.

Evaluation of the Board's Performance

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. The

evaluation framework for assessing the performance of Directors including the Chairperson of the Board comprised of criteria like quality of contribution to the Board deliberations, strategic inputs regarding growth of Company and its performance, attendance at Board Meetings and Committee Meetings, Independence of judgements safeguarding the interest of the company and commitment to stakeholder interests.

Number of Board Meetings conducted during the year under review

During the year under review, four (4) Board Meetings were held on May 18, 2021, July 30, 2021, November 12, 2021 and February 03, 2022. All meetings of the Board were held virtually through Video Conference mode. 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, 2022, Audit Committee comprises of 3 members with Mr. Narayan K. Seshadri, Independent Director as the Chairperson, Mr. Rajnish Sarna and Ms. Ramni Nirula as members. Further, details on the Committee reference, 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 Mr. Pravin K. Laheri, Independent Director as the Chairperson, Mr. Mayank Singhal and Mr. Rajnish Sarna as the members. Further details on the Committee reference, 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 2021-22 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, 2022, 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, 2022 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.

17. ANNUAL RETURN

Pursuant to Sec 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the copy of Annual Return can be accessed at Company’s website at <https://www.piindustries.com/investor-relations/Investor-Information/annual-return>

18. 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.

19. EMPLOYEES

Remuneration policy of the Company

The Remuneration policy of your 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.

Human Resources and Trade Relations

The tremendous efforts of our people have enabled us to not only successfully navigate the Covid-19 pandemic and its aftermath but also have ensured our growth trajectory remains on the upward curve. Employee health and wellbeing continued to be a key priority in our efforts to make return-to-work seamless. In the spirit of caring:

- The company implemented comprehensive Workplace safety guidelines to enable return-to-work plans.
- Initiatives like Company-supported vaccination program and new Medclaim policy; extending support for Corona victims were launched. The company partnered with hospitals and doctors to provide Covid-19 care support during the year.

Talent Strategy & Leadership Development

The ability to attract, motivate, develop and retain the right talent is critical to PI’s continued success. The Talent strategy has been formalized and the same is being implemented. Along with this the Employer Brand has been worked which will enhance the Employer Value Proposition of PI and make it an attractive place for talent to walk in.

As we continue to work with speed and courage to respond to the challenging events this year, the ability to attract and retain talent helps build our competitive edge and ensure sustainability. Towards that goal, we continue to build our human capital internally.

- In line with a focus on safety and sustainability and embedding ESG as a way of life, we have hired and added experience in EHS, process safety, and workplace safety roles strengthening the team
- Project Aagaman (Onboarding) continues to be improved using technology for a superior new joiner experience and efficient assimilation
- Project Uday for campus hires with its campus-to-corporate focus

Learning and Development

In line with the philosophy of People First, the organization has focused on developing employees and helping them grow in their roles as well as be prepared for future roles. Project Udbhav was conceived and implemented to identify and develop high potential employees.

In addition, there was a huge focus on ensuring deep functional skilling. For example, a Process Safety program was designed and conducted in partnership with IIT Madras to develop a strong safety culture.

In our endeavour towards democratizing learning, all our employees have access to more than 2500 online modules from Skillsoft ranging from a variety of subject areas from interpersonal development to operations management to EHS and risk. All of this has resulted in upwards of 23000 hours of learning being provided to our employees.

Culture & Employee Engagement

To help propel PI into the next growth phase, our Purpose, Vision, Spiky Capabilities, and Values have been redefined. These together will be the organization’s Compass to give our employees a sense of direction, build affinity amongst the PI family, and develop a high-performance culture. ‘Compass’ has been finalized and is being cascaded across organizations through change management agents.

Engaging with and motivating the employees is key to the ‘caring’ agenda of the company. With that aim, we have been undertaking initiatives such as family quizzes, laughter yoga sessions, Rangoli & poster making, and providing counselling sessions to children in 10th and 12th standards - to celebrate the spirit of the PI family.

We continue to recognize our employees for demonstration of the values, while we continued to maintain leadership connect with skip-level meetings, and red carpet events. We reaffirm our commitment to promoting diversity by celebrating the occasion of Women’s day across our locations.

Performance Management

Performance management is the fulcrum to all HR processes and key to building a culture of high performance and growth. In order to ensure better alignment to business goals, build people capability and enable people performance, we adopted Balanced Scorecard approach. In addition, we are on track to close the annual appraisal and increment cycle this year by May, emphasizing our commitment to efficiency and adherence to timelines.

In line with our compensation policy, we made market corrections where necessary with a view to retaining high-performing talents well as ensuring that pay levels and structure are competitive vis-à-vis market.

Overall, we are taking rapid steps to prepare PI and its employees to be change agile, have a collaborative mindset and be future ready for the new opportunities.

Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace

Your Company has a zero tolerance for any abuse against Women at Workplace. 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 Internal Complaints Committee (ICC) known as Prevention of Sexual Harassment (POSH) Committee to enquire in to complaints of Sexual Harassment and recommend appropriate action. The Company received no complaints under POSH during the financial year 2021-22.

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 annual general meeting 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 of the Company.

Employee Stock Option Plan / Scheme

Your 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 regulations is given in **Annexure ‘D’**.

20. VIGIL MECHANISM – WHISTLE BLOWER POLICY

Your 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 at the following

[https://www.piindustries.com/Media/Documents/Whistle%20Blower%20Policy\(r\).pdf](https://www.piindustries.com/Media/Documents/Whistle%20Blower%20Policy(r).pdf)

The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also 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.

21. 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 ‘E’** attached to this report.

22. CORPORATE SOCIAL RESPONSIBILITY (“CSR”) AND RELATED MATTERS

In accordance with the requirements of Section 135 of the Companies Act, 2013, your Company has a CSR Committee comprising four (4) members with Mr. Pravin K. Laheri as Chairperson, Mr. Mayank Singhal, Mr. Rajnish Sarna and Ms. Ramni Nirula as Members. Your Company has also amended Corporate Social Responsibility Policy (CSR Policy) pursuant to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 notified by the MCA on January 22, 2021 in order to ensure alignment of policy with amended law. The policy is available on the website of the Company at

<https://www.piindustries.com/sustainability/CSR/CSR-Policy>

Your Company carries out its CSR activities through PI Foundation, a Trust set up by PI Industries Ltd. During the year, PI Foundation undertook several CSR initiatives under the following few categories:

- Water Conservation
- Women Empowerment
- Education and Talent Nurturing
- Healthcare
- Hygiene & Sanitation
- Livelihood Enhancement
- Sustainable Agriculture
- Skill Development
- Employee Engagement through CSR

During the financial year 2021-22, the Company has contributed an amount of ₹ 136.84 Mn to PI Foundation, aggregating to 2% of its average net profits for preceding 3 financial years. PI Foundation has spent an amount of ₹ 94.82 Mn and the remaining unspent amount pertaining to ongoing projects has been transferred to a separate unspent bank account opened for CSR as required under the amended rules. PI Foundation has not been able to spend the entire money as projects are

ongoing projects spread over 2-3 years. Various CSR initiatives taken during FY'21-22 includes:

- Water Conservation through Accelerating the Adoption of Direct Seeding of Rice (DSR) Technology.
- Sustainable production of cotton through eco-friendly technology
- Safe disposal of plastic through Container Management Programme
- Employability cum Skill Training Programme
- Prime Minister's Fellowship Scheme for Doctoral Research on Agricultural Chemistry
- Improving learning outcomes in school children for 81 villages in 135 schools of Jambusar
- Increasing awareness amongst various stakeholders viz. farmers, growers, extension workers for advocating sustainable agriculture practices
- Imparting quality education and vocational training for rehabilitation of differently abled children through SEDTA, Udaipur
- Preventive Health Care through three Mobile Medical Unit (MMU) facility
- Women Empowerment through Improved Access to Credit and Livelihood Initiatives

Covid-19 initiatives in FY'21-22

- Setting-up of Oxygen Plants: Amidst the deadly second wave of COVID-19 when states are reeling under a shortage of medical oxygen, PI Industries quickly rolled out a project for setting up of 5 oxygen plants across hospitals in Gujarat, Rajasthan, Haryana and Delhi.
- Financial assistance for oxygen concentrators: PI Industries through its Corporate Social Responsibility provided financial assistance to the Udaipur Chamber of Commerce and Industry (UCCI) for procuring oxygen concentrator machines during this crisis.
- Financial assistance for procurement of medicines for underprivileged : In the wake of Covid-19 second wave, PI from its CSR arm PI Foundation provided financial assistance to Rotary welfare Trust, Bharuch for procuring expensive lifesaving medicines to support the underprivileged community.
- Financial Support for setting up Covid-19 isolation centre in New Delhi for supporting the relentless efforts by administration and front-line workers, PI through its CSR, provided financial support for setting up of Covid-19 Isolation centre to Vasant Vihar Welfare Association, New Delhi. Furthermore, the support is being extended to procure necessary equipment like BP apparatuses, Pulse-Oximeters, masks, gloves, sanitizers etc. to ensure seamless functioning of the centre.
- Medical facilities to set up Covid-19 isolation centre: in Bharuch: PI Industries, through its CSR arm PI Foundation,

provided 50 beds, 50 mattress and requisite medical equipment such as Pulse-oximeter, Blood Pressure Apparatus and thermometers to Covid-19 Isolation Centre at Swaraj Bhawan, Jambusar, managed by Govt of Gujarat along with Community based Organization.

- Using mobile Medical Units 24x7 in 64 villages of Jambusar, Gujarat spreading awareness on the necessity of social distancing, hand-sanitization, conducting a thermal screening and distributing masks and other kits to villagers.
- Support to contract workers by continuing to pay their wages and arrange food and basic amenities for them during lockdown while ensuring COVID-19 prevention and containment protocol

23. CORPORATE GOVERNANCE

Your 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.

24. MANAGEMENT DISCUSSION AND ANALYSIS

A detailed report on the Management Discussion and Analysis is provided separately forms part of the Annual Report.

25. BUSINESS RESPONSIBILITY REPORT

A separate section of Business Responsibility 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

26. 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: -

- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme saved and except issued under ESOP Scheme as referred to in this Report.
- Neither the Managing Directors nor the Whole-time Director of the Company received any remuneration or commission from any of its subsidiaries.
- 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.

Further, 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.

27. 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 your 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.

The Board deeply regret the losses suffered due to the Covid-19 pandemic and place on record their sincere appreciation to all

the front-line workers and those who have gone beyond their duties in battling against the pandemic.

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 17, 2022
Place: Mumbai

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 Mn.)

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	9 th December, 2004	17 th August, 1992	03 rd September, 2021	12 th December, 2019	11 th September, 2020	11 th September, 2020	23 rd March, 2007
2.	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	NA	NA	N.A	N.A	N.A	N.A	NA
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR	INR	INR	INR	JPY; 1 = .6215
4.	Share capital	14.97	3.60	10	1488	0.10	0.10	5.00
5.	Reserves & surplus	327.52	45.29	(0.85)	483	(0.15)	(0.16)	32.22
6.	Total assets	344.30	49.33	9.25	3,042	0.05	0.06	45.81
7.	Total Liabilities	1.81	0.44	0.10	1,071	0.10	0.12	8.59
8.	Investments	147.67	8.65	-	-	-	-	-
9.	Turnover	56.55	1.58	-	2,821	-	-	94.42
10.	Profit before taxation	51.07	3.33	(0.85)	222	(0.09)	(0.10)	4.50
11.	Provision for taxation	14.12	0.56	-	66	(0.02)	(0.02)	1.09
12.	Profit after taxation	36.94	2.77	(0.85)	156	(0.11)	(0.12)	3.41
13.	Proposed Dividend	-	-	-	-	-	-	-
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:

- Names of subsidiaries which are yet to commence operations: PI Bioferma Private Limited and PI Fermachem Private Limited PI Health Sciences Limited
- Names of subsidiaries which have been liquidated or sold during the year: Nil

On behalf of the Board of Director
For PI Industries Limited

Sd/-
Narayan K. Seshadri
Chairperson
DIN 00053563

Place: Mumbai
Date: May 17, 2022

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 Mn.)

S. No.	Name of Associate Entity	Solinnos Agro Sciences Private Limited	PI Kumiai Private Limited
1.	Latest audited Balance Sheet Date	31 st March'22	31 st March'22
2.	Date on which the Associate was associated	2 nd May 2016	4 th July, 2017
3.	Shares of Associate held by the Company on the year end No. of shares (No.)	5,14,500 equity shares of Rs. 10/- each.	9,550,000 equity shares of Rs. 10/- each.
	Amount of Investment in Associates (₹ in Mn.)	51.45	955.00
	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	14.13	366.62
7.	Profit/(Loss) for the year	0.58	70.61
i.	Considered in Consolidation	0.28	35.30
ii.	Not Considered in Consolidation	0.30	35.30

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

On behalf of the Board of Director
For PI Industries Limited

Place: Mumbai
 Date: May 17, 2022

Note: It is consolidated as per Equity method.

Sd/-
Narayan K. Seshadri
 Chairperson
 DIN 00053563

Form No.MR - 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022
[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, and considering the relaxations given by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022, 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, 2022 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, 2022 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. K.V.S. Ram Rao (DIN: 08874100) was appointed as an Additional Director and further designated as Whole-time Director of the Company w.e.f. May 18, 2021. His appointment was regularised by the shareholders at the Annual General Meeting held on September 14, 2021.
- b) Mr. Rajnish Sarna (DIN: 06429468) was elevated from the position of Whole-time Director to Joint Managing Director of the Company w.e.f. May 18, 2021 and same was approved by shareholders at the Annual General Meeting held on September 14, 2021.
- c) Mr. Rajiv Batra resigned as Group Chief Financial Officer of the Company w.e.f. July 31, 2021.
- d) Mr. Manikantan Viswanathan has been appointed as the Chief Financial Officer of the Company w.e.f. August 01, 2021.
- e) Mr. Shobinder Duggal (DIN: 00039580) has been appointed as an Additional Director on the Board of the Company w.e.f. November 12, 2021.
- f) Dr. K.V.S. Ram Rao resigned as Whole-time Director of the Company w.e.f. January 01, 2022.

- g) Dr. Raman Ramachandran stepped down from his executive role of Managing Director & CEO and became a Non-Executive Non-Independent Director on the Board of the Company w.e.f. January 01, 2022.
- h) During the year, the Scheme of Amalgamation between the Company and its wholly owned subsidiary i.e. Isagro (Asia) Agrochemicals Private Limited and their respective shareholders under the provisions of Sections 230 to 232 was approved by Hon'ble National Company Law Tribunal, Mumbai on July 16, 2021. The order passed by Hon'ble NCLT, Mumbai was filed with Hon'ble NCLT, Jaipur for further proceedings. The Hon'ble National Company Law Tribunal, Jaipur passed its order on December 06, 2021 approving the scheme.
- i) Company has filed certified copy of the Hon'ble NCLT, Jaipur's order with the Registrar of Companies, Jaipur & Mumbai on December 31, 2021 regarding merger of Isagro (Asia) Agrochemicals Private Limited with PI Industries Limited which is effective from December 31, 2021.
- j) The Company incorporated a wholly owned subsidiary in the name and style of PI Health Sciences Limited (CIN: U24290RJ2021PLC076803). Certificate of Incorporation dated September 03, 2021 was issued by Central Registration Centre, Ministry of Corporate Affairs, Manesar, Haryana. The registered office of the said Company is situated in State of Rajasthan.

Sd/-

R.S. Bhatia

Practicing Company Secretary

CP No: 2514 M. No. 2599

Peer review no.1496/2021

UDIN : F002599D000332665

Place: New Delhi

Dated: May 17, 2022

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 : F002599D000332665

Place: New Delhi
Dated: May 17, 2022

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 2021-22 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#	26.03:1	-
Mr. Pravin K. Laheri	4.25:1	-
Ms. Ramni Nirula	4.46:1	-
Mr. Arvind Singhal	3.95:1	13.61
Dr. T.S. Balganes	5.35:1	-
Ms. Lisa J. Brown	3.94:1	-
Mr. Shobinder Duggal*	1.92:1	-
Executive Directors		
Mr. Mayank Singhal, Vice Chairperson & MD	217.15:1	6.42
Mr. Rajnish Sarna, Joint Managing Director	87.35:1	5.04
Dr.Raman Ramachandran, Managing Director and CEO**	38.84:1	-
Dr. K.V.S. Ram Rao, Wholetime Director***	31.45:1	-

Notes:

Remuneration to Non-Executive Directors comprises of Sitting fees and Commission.

Includes commission of Rs.18 Mn. which shall be paid after seeking approval of shareholders at ensuing Annual General Meeting.

* Mr. Shobinder Duggal was appointed on the Board w.e.f. November 12, 2021.

** Dr. Raman Ramachandran, stepped down from the role of Managing Director & CEO and became a Non-Executive Director on the Board w.e.f. January 1, 2022.

*** Dr. K.V.S. Ram Rao resigned from the position of Wholetime Director w.e.f. January 1, 2022.

2. The percentage increase in median remuneration of employees in Financial Year 2021-22: **10%**
3. The number of permanent employees on the rolls of Company as on March 31, 2022: **3079**
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)	10%
b) Average increase in salary of managerial personnel	20%

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 of Director
For PI Industries Limited

Place:Mumbai
Date: May 17, 2022

Sd/-
Narayan K. Seshadri
Chairperson
DIN: 00053563

Details of Shares issued under Employee Stock Option Plan (ESOPs)

The position of the existing scheme is summarized as under -

I. Details of the ESOS

S. No.	Particulars	PII ESOP Scheme
1	Date of Shareholder's Approval	21-Jan-11
2	Total Number of Options approved	62,62,090
3	Vesting Requirements	Options vest after lock in period of one year from the date of grant and thereafter options vest in graded manner over a period of four years as per company's ESOP Plan.
4	The Pricing Formula	10% discount to market price on NSE a day prior to date of grant.
5	Maximum term of Options granted (years)	10 years
6	Method of Settlement	Shares
7	Source of shares	Fresh equity allotment by Company to Trust
8	Variation in terms of ESOP	Nil

II. A. Option Movement during the year ended 31st March, 2022

S. No.	Particulars	No. of Options	Wt. avg exercise Price
1	No. of Options Outstanding at the beginning of the year	89263	599
2	Options Granted during the year	-	NA
3	Options Forfeited / Surrendered during the year	-	-
4	Options Exercised during the year	33,442	509.54
5	Total number of shares arising as a result of exercise of options	33,442	509.54
6	Money realised by exercise of options (₹ Mn)	-	NA
7	Number of options Outstanding at the end of the year	55,821	604.49
8	Number of Options exercisable at the end of the year	55,821	604.49

B. Option Movement during the year ended 31st March, 2021

S. No.	Particulars	No. of Options	Wt. avg exercise Price
1	No. of Options Outstanding at the beginning of the year	2,07,178	623.36
2	Options Granted during the year	-	NA
3	Options Forfeited / Surrendered during the year	53,638	744
4	Options Exercised during the year	64,277	618.37
5	Total number of shares arising as a result of exercise of options	64,277	618.37
6	Money realised by exercise of options (₹ Mn)	40	NA
7	Number of options Outstanding at the end of the year	89,263	599
8	Number of Options exercisable at the end of the year	89,263	599

III. Weighted Average remaining contractual life

Range of Exercise Price	No. of options outstanding	Weighted average contractual life (years) as on 31 st March, 2021	No. of options outstanding	Weighted average contractual life (years) as on 31 st March, 2020
25 to 75	-	-	-	NA
75 to 150	373	1.34	10717	2.34
150 to 450	750	2.47	1520	3.47
450 to 750	54698	3.91	77026	5.00

IV. Weighted average Fair Value of Options granted

	During the year ended March 31, 2022	During the year ended March 31, 2021
(c) Exercise price is less than market price	Nil	Nil

No options granted during year ended March 31, 2021 and March 31, 2022 respectively.

V. The Weighted average market share price of options exercised during the year ended March 31, 2022 is Rs. 2930.88 (March 31 2021 is Rs. 2066.99)

VI. **Employee-wise details of options granted during the financial year 2021-22 to:**

(i) **Senior managerial personnel**

Name of employee	No. of Options granted
------------------	------------------------

Not Applicable - No Options Granted during the year

(ii) **Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year**

Name of employee	No. of Options granted
------------------	------------------------

Not Applicable - No Options Granted during the year

(iii) **Identified employees who were granted option, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.**

Name of employee	No. of Options granted
------------------	------------------------

None

VII. **Method and Assumptions used to estimate the fair value of options granted during the year ended Mar 2022:**

* No Options Granted during the year ended March 31, 2021 and March 31, 2022 respectively

On behalf of the Board of Director
For **PI Industries Limited**

Sd/-
Narayan K. Seshadri
Chairperson
DIN: 00053563

Place: Mumbai
Date: May 17, 2022

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 4% in 2021-22 against 1.6% last year.

Steps taken during the year (2021-22) to conserve energy

- i. Annual saving of 2.09 Lac KWH by Installation of standard scroll compressor with insulation panel on walls in cold room and removal of inefficient reciprocating compressor and non-standard blower at PN0139% power saving by installation of VFDs for cooling water fans and water pumps for MPP8 & MPP9 cooling tower at PN03
- ii. 30% power saving by efficiency improvement of Cooling tower pumps at PN03
- iii. 65 KW/hr power generation by installation of micro Steam turbine at PN03
- iv. 69% power saving by providing PRV at outlet of Utility N2 Storage tank at Jambusar
- v. 6% Power saving by way of Installation of SSF in Chilled water system
- vi. 20% reduction in power consumption in existing cooling tower FRP fan with new aerodynamic E-GLASS EPOXY FRP FAN at Jambusar
- vii. 20% reduction in power consumption of utility cooling water pump by removing the orifice and optimizing the flow through VFD by reducing its RPM to 44Hz at Jambusar
- viii. 15% reduction in Power consumption by Automation in process and utility cooling tower at Jambusar
- ix. Out of total indirect energy used, share of renewable source has grown to 13 % at Panoli.

Plans for the Year 2022-23

- Share of non-conventional renewable source of energy is being targeted to go up to 5.3% in 2022-23.
 - i. Zero loss drain valve in compressed air system
 - ii. Encon make high efficiency energy saving e-glass epoxy FRP fan blades for CT's at Panoli
 - iii. Steam supply through community boiler at Panoli
 - iv. Fitz Fuel Catalyst for efficiency improvement in NG at Panoli
 - v. 100TR Screw Chiller (1.7 KW/TR) in place of reciprocating Volta's systems (~3.0 KW/TR) for -15 brine at Panoli

- vi. Installation of micro turbine in return line of cooling tower and running the fan with pressure drop at Jambusar
- vii. Utility change from shell side to tube side of SS condenser with spiral tub condensers at Jambusar
- viii. Installation of VFD in -35 Brine Primary pump (30 kw, 200 m3/hr) at Jambusar
- ix. Installation of VFD in -15 Brine Primary pump (45 kw, 300 m3/hr) at Jambusar

(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. Strengthening of KL/PP facility was undertaken including capabilities like Vapor Phase reaction.
- ii. Flow-chemistry has been successfully commissioned at Pilot scale. The capability will result in improved productivity and reduction of risk & plant footprint. Pilot Trial of one Molecule has been successful and further screening is on for a few other molecules
- iii. The work on setting up scale-up facility to undertake fluorination chemical synthesis, vapour Phase Chemistry & electronic chemicals is underway
- iv. Continuous improvement in the commercial production processes has been made possible through technology absorption methods which include: -
 - a) To get energy efficiency and waste reduction, ACN purification by pressure swing technology is worked out and system is installed and commissioning is completed.
 - b) Installation of ICP MS at PN06 which is technology used to perform the elemental analysis in products. This technology helped us to quickly deliver elemental analysis of in-process and support manufacturing operation. For electronic chemicals elemental analysis and quick result delivery at site is crucial specifically for in process controls.
 - c) LCMS: installed at Jambusar site: LCMS will be used to perform inhouse analysis of decontamination samples of product changeover. This technology will help to perform inhouse analysis and will provide support to all manufacturing sites.
 - d) To improve efficiency in analytical process, FTNIR is considered for in-process sample analysis. The technology has been implemented in new plant (MPP11) which has helped in reduction of samples analysis time and process time cycles to optimize the capacities. The technology is now being extended to 10 products in other sites. This is expected to be completed by FY23
 - v. Regular training programs including internal technical training across groups, troubleshooting and cost reduction sessions for our scientists, chemists & technologists to

equip them to cope with new scientific and technical challenges.

- vi. Interaction with National Laboratories, IITs, CSIR Institutions and Universities, R&D laboratories of various MNCs for upgradation of knowledge and coordinating with them for development of new products and training of scientists. To build capability in Process **And Workplace Safety**, training in collaboration with **IIT Madras** was successfully executed in FY22

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 and 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 in to 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 Mn)

	Current year 2021-22	Previous year 2020-21
a. Capital Expenditure	185	235
b. Revenue Expenditure (including Depreciation)	1,189	1133
c. Total	1,374	1149
d. Total R&D expenditure as percentage of Revenue from Operations	2.71%	2.90%

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Details of total foreign exchange used and earned have been provided below:-

(₹ in Mn)

	Current year 2021-22	Previous year 2020-21
Foreign Exchange Earned	38,007	32,866.27
Outgo of Foreign Exchange	15,303	13,874.62

On behalf of the Board of Directors
For **PI Industries Limited**

Sd/-
Narayan K. Seshadri
Chairperson
DIN: 00053563

Place: Mumbai
Dated: May 17, 2022

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR policy.

PI through its Corporate Social Responsibility has been incessantly improving its reach for enhancing the social and economic well-being of the underprivileged and marginalized sections of the society. Our CSR policy shall be directed towards inclusive development that creates value for the society, especially around our plant and farmers across the country. 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. 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.	Mr. Pravin K. Laheri, Chairperson	Independent Director	1	1
2.	Mr. Mayank Singhal, Member	Vice Chairperson & MD	1	1
3.	Mr. Rajnish Sarna, Member	Joint Managing Director	1	1
4.	Ms. Ramni Nirula, Member	Independent Director	1	1

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/investor-relations/Corporate-Governance/Composition-of-Board>

<https://www.piindustries.com/investor-relations/Corporate-Governance/Policies>

<https://www.piindustries.com/sustainability/CSR/PI-Foundation>

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).

Not applicable

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.

Sl. 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): ₹ 6,841.87 Mn

7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 136.84 Mn

(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): ₹ 136.84 Mn

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year	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
94.82	42.02	30.04.2022	Nil	Nil	-

(b) Details of CSR amount spent against ongoing projects for the financial year:

1	2	3	4	5		6	7	8	9	10	11	
S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	State	District	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).	Name	CSR Registration number.
1	Water Conservation through Accelerating the Adoption of Direct Seeding of Rice (DSR) Technology	Environmental Sustainability and conservation of natural resources	No	Punjab, Haryana, West Bengal, Chhattisgarh, Andhra Pradesh	Barnala, Sangrur, Muktsar, Hisar, Kamal, Sonapat, Panipat, Bilaspur, Dhamtari, Raipur, Midnapore, Burdwan, Bankura, Kurmool, Godavari, Nizamabad	Two year	17.09	17.09	NA	No	Roots Foundation	CSR00003726
2	Sustainable production of cotton through eco-friendly technology	Environmental Sustainability and conservation of natural resources	No	Gujarat, Maharashtra, Telangana, AP,Karnataka	Nagpur, Warangal, Raichur, Adilabad, Vijaywada, Rangareddy, Sundernagar, Bhavnagar, Adoni	Two year	12.00	8.55	NA	No	South Asia Biotechnology Centre/ Roots Foundation	
3	Safe disposal of plastic through Container Management Programme	Environmental Sustainability and conservation of natural resources	No	AP, Maharashtra	Nashik, Guntur	1 year*	2.50	0.72	NA	No	PI Foundation	
4	Employability cum Skill Training Programme	Education, Skill Development and Livelihood enhancement	Yes	Gujarat	Bharuch	3 years	6.16	5.96	NA	No	RuralShores	
5	Prime Minister's Fellowship Scheme for Doctoral Research on Agricultural Chemistry	Education, Skill Development and Livelihood enhancement	No	New Delhi	Delhi	3 years	1.00	0.58	NA	No	CI and IARI	
6	Improving learning outcomes in school children for 81 villages in 135 schools of Jambusar	Education, Skill Development and Livelihood enhancement	Yes	Gujarat	Bharuch	3 years	9.85	6.02	NA	No	Pratham Education Foundation	CSR00000258
7	Increasing awareness amongst various stakeholders viz. farmers, growers, extension workers for advocating sustainable agriculture practices	Education, Skill Development and Livelihood enhancement	No	All locations through digital mode		1 year*	3.00	1.50	NA	No	Foundation for Development Initiatives	
8	Imparting quality education and vocational training for rehabilitation of differently abled children through VKS	Education, Skill Development and Livelihood enhancement	No	Rajasthan	Udaipur	3 years	3.00	3.00	NA	No	VKS-SEDA	

1	2	3	4	5		6	7	8	9	10	11	
S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	State	District	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).	Name	Mode of Implementation - Agency
												CSR Registration number.
9	Covid-19 interventions through Sanitization drives, mask distribution and PPE kits	Health, Hygiene and Sanitation	No	Gujarat, Telangana, Andhra Pradesh, Haryana, Punjab, Rajasthan, Delhi	Ahmedabad, Bharuch, Ambala, Bathinda, Mansa, Ludhiana, Gurgaon, Khammam, Nandigram, Hyderabad, Vijaywada	4 months*	40.00	21.46	NA	No	PI Foundation	CSR00004213
10	Preventive Health Care through three Mobile Medical Unit (MMU) facility	Health, Hygiene and Sanitation	Yes	Gujarat,	Bharuch	3 years	10.20	10.19	NA	No	GVK EMRI	
11	Establishment / Revival of Kumarpal Gandhi Blood Bank with Component Facility	Health, Hygiene and Sanitation	Yes	Gujarat,	Bharuch	3 years	1.00	0.60	NA	No	PI Foundation	
12	Women Empowerment through Improved Access to Credit and Livelihood Initiatives	Women empowerment	Yes	Gujarat	Bharuch, Ankleshwar	2 years	3.00	1.13	NA	No	Aatapi Seva Foundation	
13	Support to Women Small Farm Holders & Workers under Dairy Value Chain- Women Entrepreneurship and initiating Cattle Feed Centres	Women empowerment	Yes	Gujarat	Bharuch	3 years	8.90	8.71	NA	No	Care India	CSR00000786
	Total						117.70	85.52				

*As these projects, though are less than 12 month period, but as spending will be done during the FY 2022-23, therefore, have been included in this column.

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

1 S. No.	2 Item from the list of activities in Schedule VII to the Act.	3 Name of the Project	4 Local area (Yes/No).	5 Location of the project.		6 Amount spent in the current financial Year	7 Mode of Implementation - Direct (Yes/No).	8 Mode of Implementation - Through implementing Agency	
				State	District			Name	CSR Registration number.
1	Health, Hygiene and Sanitation	Strengthening of drainage network in villages around plant location	Yes	Gujarat,	Bharuch	0.66	NO	PI Foundation	CSR00004213
2	Health, Hygiene and Sanitation	Drinking water and Pond resuscitation programme	Yes	Gujarat,	Bharuch	0.31	NO	PI Foundation	CSR00004213
3	Health, Hygiene and Sanitation	Community RO installation and safe drinking water	No	Bihar	Motihari	0.41	NO	PI Foundation	CSR00004213
4	Health, Hygiene and Sanitation	Up keeping & Maintenance of School Toilets constructed under Swachh Bharat Abhiyan Programme (in 12 Schools)	Yes	Gujarat,	Bharuch	0.20	NO	PI Foundation	CSR00004213
5	Education, Skill Development and Livelihood enhancement	Adoption of primary school at Plant locations	Yes	Gujarat	Bharuch	1.03	No	PI Foundation	CSR00004213
	Education, Skill Development and Livelihood enhancement	Skill development for Mook badhir	Yes	Gujarat	Bharuch	1.85	No	Shrimad Rajchandra Seva Kendra	CSR00004692
Total						4.45			

(d) Amount spent in Administrative Overheads : ₹ 4.85 Mn
(e) Amount spent on Impact Assessment, if applicable : Not applicable
(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹ 94.82 Mn
(g) Excess amount for set off, if any : Nil

(₹ in Mn)

S. No.	PARTICULAR	AMOUNT
(i)	Two percent of average net profit of the company as per section 135(5)	136.84
(ii)	Total amount spent for the Financial Year	94.82
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(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	Name of the Fund	Date of transfer	
1	2020-21	16.07	7	NA	NA	NA	9.07

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

1 S. No.	2 Project ID	3 Name of the Project	4 Financial Year in which the project was commenced.	5 Project duration	6 Total amount allocated for the project	7 Amount spent on the project in the reporting Financial Year	8 Cumulative amount spent at the end of reporting Financial Year	9 Status of the project - Completed / Ongoing
1		Covid-19 interventions through mask distribution, ventilators, PPE kits etc	2020-2021	3 years	8.52	3.09	3.09	Ongoing
2		Promotion of Child and Adolescent Nutrition for better physical and mental growth" in 61 Anganwadi from 12 villages of Jambusar	2021-2022	3 years	7.55	3.91	3.91	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) 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 contributed funds to the tune of INR 136.84 Mn to PI Foundation and they have spent an aggregate amount of INR 94.82 Mn and balance amount pertains to ongoing projects which has been transferred to separate account titled "PI INDUSTRIES UNSPENT CORPORATE SOCIAL RESPONSIBILITY ACCOUNT – FY 21-22" which shall be spent on ongoing projects by PI Foundation.

Sd/-
Pravin K. Laheri
 Chairperson – CSR Committee
 DIN : 00499080

Sd/-
Mayank Singhal
 Vice Chairperson & Managing Director
 DIN : 00006651

Place: Mumbai
 Date : May 17, 2022

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.

Your Company is following the requirements mandated by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). A Report on compliance with the Corporate Governance provisions as prescribed under the Listing Regulations is given herein below:

2. BOARD OF DIRECTORS

Composition

The Company's Board comprises an optimum mix of Executive, Non-Executive and Independent Directors, and 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, 2022, the Board comprised of (10) ten Directors, out of which (8) eight 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 Independent Director. The Board comprises of (6) six Independent Directors (including (2) two woman Independent Director), constituting majority of the Board strength which meets the requirements of the Companies Act, 2013 and the Listing Regulations, 2015.

The name and category of Directors, their attendance at the Board Meetings held during the year and at the last Annual General Meeting 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 2021-22	Presence at last AGM
		Board [^]	Committees ^{^^} Member (Chairperson)		
Mr. Narayan K. Seshadri, Chairperson DIN 00053563	Non-Executive & Independent	9	7(2)	4	Yes
Mr. Mayank Singhal, Vice Chairperson & MD DIN 00006651	Executive & Non-Independent	4	1(0)	4	Yes
Mr. Rajnish Sarna, Joint Managing Director DIN 06429468	Executive & Non-Independent	5	2(0)	4	Yes
Dr. K.V.S. Ram Rao, Whole-Time Director ^{**} DIN 08874100	Executive & Non-Independent	-	-	3	Yes
Dr. Raman Ramachandran, Director* DIN 00200297	Non-Executive & Non-Independent	1	0	2	Yes
Ms. Ramni Nirula, Director DIN 00015330	Non-Executive & Independent	5	3(0)	4	Yes
Mr. Pravin K. Laheri, Director DIN 00499080	Non-Executive & Independent	4	3(1)	4	Yes
Mr. Arvind Singhal, Director DIN 00092425	Non-Executive & Non-Independent	3	0	3	Yes
Dr. T.S. Balganes, Director DIN 00648534	Non-Executive & Independent	3	0	3	Yes
Ms. Lisa J. Brown, Director DIN 07053317	Non-Executive & Independent	1	0	4	Yes
Mr. Shobinder Duggal, Additional Director ^{***} DIN 00039580	Non-Executive & Independent	3	2(1)	1	NA

[^]. Includes position held in PI but excludes position of directorships held in Private Limited Companies, Foreign Companies and Government Bodies.

^{^^} 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.

* Dr. Raman Ramachandran stepped down from his executive role of Managing Director and CEO and became a Non- Executive Non-Independent Director on the Board w.e.f. January 01, 2022.

** Dr. K.V.S. Ram Rao resigned from the position of Whole-time Director of the Company w.e.f. January 01, 2022.

*** Mr. Shobinder Duggal was appointed as an Additional Director on the board w.e.f. November 12, 2021.

Name of listed companies and category of directorship held by Directors is appended at the end of Corporate Governance Report as **Annexure 'A'**.

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 website of the Company. The web link of same is given below:-

[https://www.piindustries.com/Media/Documents/PI_Terms%20and%20Condition%20of%20Appointment%20of%20Independent%20Director\(R\).pdf](https://www.piindustries.com/Media/Documents/PI_Terms%20and%20Condition%20of%20Appointment%20of%20Independent%20Director(R).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 SEBI Listing Regulations and Section 149(6) of the Act.

Procedure/Guidelines for Appointment of Directors

The Nomination and Remuneration Committee monitors the developing competency requirement for the Board which is based on the long-term business strategy of the Company and the competency/ skill set required for the Industry. The Committee evaluates the composition of the Board from time to time for gap analysis, if any, in accordance with the prevailing laws and makes its recommendation to the Board with respect to the appointment of new Director after reviewing the profiles of potential candidates. The Committee inter-alia considers the criteria of Independence, functional knowledge, domain expertise and the experience of the candidate in its selection process.

Board Meetings

The Board meets at regular intervals to review the performance of the Company. During the year under review, four (4) Board Meetings were held on May 18, 2021, July 30, 2021, November 12, 2021 and February 03, 2022. The maximum gap between any two Board meetings was less than 120 days. All the Meetings of Board of Directors during the year were held through Video Conferencing mode.

Board Procedure

The annual calendar of the Board/ Committee meetings is agreed upon by the Board members at the beginning of the year. 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, 2015, 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 30, 2022 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, 2015. They meet to discuss and form an independent opinion on the agenda items, various other Board-related matters, identify areas where they need clarity or information from management and to annually review the performance of Non-Independent Directors, the Board as a whole and the Chairperson. The Lead Independent Director updates the Board about the proceedings of the meeting. Apart from this, the Independent Directors also engage with Statutory Auditors, as well as Internal Auditors at least once a year, to discuss internal audit effectiveness, control environment and their general feedback. 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 for Independent Directors

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 top 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

<https://www.piindustries.com/Media/Documents/Familiarisation%20program%20for%20directors.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, 2022.

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 at end of this report, refer **Annexure 'B'**.

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, 2015, an external agency was engaged for evaluating the Board, performance of Directors as well as the evaluation of the working of its Committees.

The Board's functioning was evaluated on 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.

Evaluation of Directors was done keeping in view the various aspects such as professional qualification(s), experience, knowledge and skills, attendance and contribution at Board/ Committee Meetings including guidance/ support to the Management outside Board/ Committee Meetings, fulfilment of obligation(s) and duties under law. In addition, the Chairperson was also evaluated on key aspects of his role, including the effectiveness of his leadership and ability to steer meetings, setting the strategic agenda of the Board, encouraging active engagement by all Board members.

The Committee evaluation was done on the basis of the degree of fulfilment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

The exercise was carried out through a structured questionnaire prepared separately for Board, Committees, Chairperson and individual Directors and interactions of each individual Director with external agency appointed for the purpose.

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) Stakeholder's Relationship Committee
- iii) Nomination and Remuneration Committee
- iv) Corporate Social Responsibility Committee
- v) Administrative Committee
- vi) Risk Management 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

The Audit Committee of the Board provides reassurance to the Board on the existence of an effective internal control environment that ensures efficiency and effectiveness of Company's operations; safeguarding of assets and adequacy of provisions for all liabilities; reliability of financial and other management information and adequacy of disclosures and compliance with all relevant statutes.

Terms of reference

The powers, roles and terms of reference of the Audit Committee covers areas as contemplated under Regulation 18 of the Listing Regulations, 2015 and Section 177 of the Companies Act, 2013, as applicable, besides other terms as referred by the Board of Directors. The terms of reference are:

- (a) Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- (b) Discuss with the Statutory Auditors, before the audit commences, about the nature and scope of audit, as well as post audit discussion to ascertain any area of concern.
- (c) Review and monitor the auditor's independence and performance and effectiveness of audit process; approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditor.
- (d) Review with the Management the performance of statutory and internal auditors and adequacy of internal control system.
- (e) Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- (f) Review the reports of internal audit for internal control weaknesses and discussion with internal auditors on any significant findings of any internal investigations by the internal auditors and the executive Management's response on matters and follow-up thereon;
- (g) Review the management letters / letters of internal control weaknesses issued by the statutory auditors.
- (h) Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

- (i) Evaluation of internal financial controls and risk management systems;
- (j) Recommend to the Board the appointment, re-appointment and, if required, the replacement or removal of Statutory Auditors/Internal Auditors/Cost Auditors/Secretarial Auditor, terms of appointment of Auditors and fixation of audit fee.
- (k) Approve the appointment of CFO after assessing the qualifications, experience and background etc.
- (l) Review with the Management, the quarterly financial statements and the auditor's report thereon, before submission to the Board for approval.
- (m) Review with the Management the Annual Financial Statements and Auditors Report thereon before submission to the Board for approval, with particular reference to:
 - matters to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of Clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013.
 - changes, if any, in accounting policies and practices and reasons for the same.
 - major accounting entries involving estimates based on the exercise of judgment by Management.
 - significant adjustments made in the financial statements arising out of audit findings.
 - compliance with listing and other legal requirements relating to financial statements.
 - disclosure of any related party transactions.
 - qualifications in the draft audit report, if any.
- (n) Review and approve the Related Party Transactions, Scrutiny of inter-corporate loans and investments, valuation of undertakings or assets of the Company, wherever it is necessary.
- (o) Looking into the reasons for substantial defaults, if any, in payment to the depositors, debenture holders, shareholders and creditors;
- (p) Review the Management Discussion and Analysis of financial condition and results of operation.
- (q) Review, with the Management, the statement of uses/ application of funds raised through an issue, the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- (r) Review the functioning of the Whistle Blower Mechanism;
- (s) Perform such other functions as may be prescribed under the Companies Act, 2013, listing regulations, 2015 or any other law or as may be delegated by the Board from time to time, to be performed by the Audit Committee.
- (t) Review the utilization of loans and/or advances from/ investments by the holding company in its subsidiaries

exceeding ₹ 1,000 Mn or 10% of the asset size of such subsidiary, whichever is lower which shall include existing loans / advances / investments.

Composition and attendance of the members of Audit Committee during the financial year 2021-22

The Audit Committee presently comprises of 3 members, out of which 2 members are Non-Executive Independent Directors and one is an Executive Director. The Chairperson of the Committee is an Independent Director. All the members of the Audit Committee have accounting and financial management expertise.

The Vice Chairperson & MD, 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, 2022, the Committee met four (4) times on May 18, 2021, July 30, 2021, November 11, 2021 and February 02, 2022 and the gap between two meetings did not exceed 120 days in compliance with the listing regulations, 2015.

The Composition and attendance record of the members of the Audit Committee for the financial year 2021-22 is as follows:

Name of Director	Category	Number of meetings during the financial year 2021-22	
		Held	Attended
Mr. Narayan K. Seshadri, Chairperson	Non-Executive & Independent Director	4	4
Ms. Ramni Nirula, Member	Non-Executive & Independent Director	4	4
Mr. Rajnish Sarna, Member	Executive & Non-Independent Director	4	4

The Chairperson of the Audit Committee, Mr. Narayan K. Seshadri was present at the Annual General Meeting of the Company held on September 14, 2021.

ii) STAKEHOLDER'S RELATIONSHIP COMMITTEE

The Stakeholder's Relationship Committee of the Board looks into the various aspects of interest of shareholders and also reviews the process of share transfers/ transmission, unclaimed Dividend / Shares, IEPF & issue of duplicate shares, oversees redressal of grievances of security holders, if any, and also reviews the working of Company's Registrar & Share Transfer Agent.

Terms of reference

Pursuant to Part D of Schedule II of Listing Regulations, 2015, the Committee focuses on the following:

- o Recommending measures for overall improvement in the quality of services being provided to the shareholders/ investors.
- o All the matters related to Share transfer/ transmission/ duplicate issue, non-receipt of annual report, non- receipt of declared dividend etc.

- o Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- o Overseeing the Performance of Registrar & Share Transfer Agents.
- o Review of measures taken for effective exercise of voting rights by shareholders.
- o Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- o Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

Composition and attendance of the members of Stakeholder's Relationship Committee during the financial year 2021-22

The Stakeholder's Relationship Committee presently comprises of 3 Directors of which 2 members are Executive Directors and one Non-Executive Independent Director, who is also nominated as Chairperson of the committee.

During the financial year ended March 31, 2022, the Committee met two (2) times during the year on May 03, 2021 and March 21, 2022. The Composition and attendance record of the members of the Stakeholder's Relationship Committee for the financial year 2021-22 is as follows:

Name of Director	Category	Number of meetings held during the financial year 2021-22	
		Held	Attended
Mr. Pravin K. Laheri, Chairperson	Non-Executive & Independent Director	2	1
Mr. Mayank Singhal, Member	Executive & Non-Independent Director	2	2
Mr. Rajnish Sarna, Member	Executive & Non-Independent Director	2	2

The Company Secretary acts as the Secretary to the Committee and also the Compliance Officer under the provisions of the Listing Regulations.

During the year, the Company received 145 complaints for issues e.g. non-receipt of Dividend Warrants, non-receipt of Share Certificates, non-receipt of Annual Reports, etc. which were duly attended and resolved, no complaints were pending as on March 31, 2022.

iii) NOMINATION AND REMUNERATION COMMITTEE

Terms of Reference

The powers, roles and terms of reference of the Nomination and Remuneration Committee covers areas as contemplated under Regulation 19 of the Listing Regulations, 2015 and Section 178 of the Companies Act, 2013, as applicable, besides other terms as referred by the Board of Directors. The role of the Committee inter-alia includes the following:

- a) Formulating the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board, a policy relating to the remuneration of Directors, key managerial personnel and other employees.
- b) Devising a policy on Board diversity.
- c) Formulating the criteria for evaluation of Independent Directors and Board as a whole.
- d) Annually evaluate the performance of the Directors, senior management and key managerial personnel of the Company.
- e) Identifying the persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board for their appointment and removal.
- f) Administering the stock options scheme of the Company.
- g) Determine whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- h) Recommend to the board, all remuneration, in whatever form, payable to senior management.
- i) Review and ensure organisation structure and leadership preparedness to meet the growth objectives of the Company.
- j) Provide input and support on HR initiatives & performance.
- k) Induction process for new Directors.
- l) Review succession planning for key roles.

Remuneration Policy

The Remuneration policy of the Company is based on following principles:

- a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.
- b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c) Remuneration to Directors, key managerial personnel and senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- d) Remuneration is reflective of the principles of the good governance in relation to remuneration policies that are in practice in other competing businesses.

<https://www.piindustries.com/Media/Documents/Nomination%20and%20Remuneration%20Policy.pdf>

The criteria governing the Company's Remuneration Policy is as follows:

Remuneration to Independent Directors and Non-Independent Non-Executive Directors

Payment of sitting fees is made for attending the meetings of the Board and the Committees of which they may be members as approved by the Board and commission as may be decided by the Board of Directors within the ceiling limits as specified by the provisions of the Companies Act, 2013 as approved by the shareholders. The commission payable is decided on the basis of

the Company’s performance, profits and the contribution made by the Directors in Company’s growth.

Remuneration for Managing Director/Whole-time Director/ KMP

The remuneration payable to Executive Directors is approved by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee which considers various factors like the role played by the individual Director, vision in growth of the Company, strategy formulation, planning and direction and contribution to the growth of the Company. The remuneration paid to Executive Directors is within the overall limits as approved by the shareholders of the Company subject to review by the Board members annually. Annual increments are decided by the Nomination and Remuneration Committee within the salary scale approved by the members and are effective April 01, each year.

In addition to the salary and perquisites, the Executive Directors are also entitled to commission that is calculated with reference to the net profits of the Company in accordance with the provisions of Section 197 of the Companies Act, 2013. The same is based on the performance of individual Director as evaluated by the Nomination and Remuneration Committee and approved by the Board.

Basic salary is provided to all employees commensurate with their skills and experience. In addition to the same, the Company provides employees with certain perquisites, allowances etc. The Company also provides Medclaim and personal accident insurance coverage to the employees apart from retirement benefits like gratuity and provident fund. The Company also provides employees a performance linked bonus that is driven by the outcome of the performance appraisal process and the performance of the Company.

Composition and attendance of the members of Nomination and Remuneration Committee during the financial year 2021-22

The Nomination and Remuneration Committee presently comprises of 3 Non-Executive 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, 2022, the Committee met two (2) times on May 18, 2021 and November 11, 2021. The Composition and Attendance record of the members of the Nomination and Remuneration Committee for the financial year 2021-22 is as follows:

Name of Director	Category	Number of meetings during the financial year 2021-22	
		Held	Attended
Ms. Ramni Nirula, Chairperson	Non-Executive & Independent Director	2	2
Mr. Narayan K. Seshadri, Member	Non-Executive & Independent Director	2	2
Mr. Pravin K. Laheri, Member	Non-Executive & Independent Director	2	2
Mr. Arvind Singhal, Member	Non- Executive & Non-Independent Director	2	1

iv) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)

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.

Terms of Reference:

- a. Formulate and recommend to the Board, a Corporate Social Responsibility Policy, strategy and goals, which shall indicate the activities to be undertaken by the Company;
- b. Recommend the amount of expenditure to be incurred on CSR activities;
- c. Monitor the implementation of Corporate Social Responsibility Policy of the Company from time to time and;
- d. Monitor the implementation of the CSR projects or programs or activities undertaken by the Company.

Composition and attendance of the members of Corporate Social Responsibility Committee during the financial year 2021-22

The CSR Committee presently comprises of 4 members, out of which 2 members are Non-Executive Independent Directors. The Chairperson of the CSR Committee is a Non-Executive Independent Director. The Committee met once on May 18, 2021 during the financial year ended March 31, 2022.

The Composition and attendance record of the members of the CSR Committee for the financial year 2021-22 is as follows:

Name of Director	Category	Number of meetings during the financial year 2021-22	
		Held	Attended
Mr. Pravin K. Laheri, Chairperson	Non- Executive & Independent Director	1	1
Mr. Mayank Singhal, Member	Executive & Non-Independent Director	1	1
Mr. Rajnish Sarna, Member	Executive & Non-Independent Director	1	1
Ms. Ramni Nirula, Member	Non- Executive & Independent Director	1	1

v) ADMINISTRATIVE COMMITTEE

Terms of reference

This Committee facilitates the approvals required for routine business activities of the Company where the powers are delegated by the Board to the 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.

Composition and attendance of the members of Administrative Committee during the financial year 2021-22

The Administrative Committee presently comprises of 3 Directors out of which 2 are Executive and Non-Independent Directors. The Company Secretary acts as Secretary to the Committee.

During the financial year ended March 31, 2022, the Committee met six (6) times on May 26, 2021, August 04, 2021, October 01, 2021, November 25, 2021, December 20, 2021 and February 04, 2022 respectively. The Composition and Attendance record of the members of the Administrative Committee for the financial year 2021-22 is as follows:

Name of Director	Category	Number of meetings during the financial year 2021-22	
		Held	Attended
Mr. Mayank Singhal, Chairperson	Executive & Non-Independent Director	6	6
Mr. Rajnish Sarna, Member	Executive & Non-Independent Director	6	5
Dr. Raman Ramachandran, Member	Non- Executive & Non- Independent Director	6	3

vi) RISK MANAGEMENT COMMITTEE

Terms of reference

The terms of reference of the RMC are as follows:

- Formulate a Risk Management Framework and recommend the said framework and any amendments thereto to the Board for its approval.
- Establish that appropriate methodology, process and systems are in place to monitor, evaluate and report risks associated with the business.
- Review the adequacy of the existing measures to mitigate various risks.
- Evaluate and approve new risks and mitigation measure that may be recommended by the Chief Risk Officer in respect of any function and review the action for its implementation on an ongoing basis.
- Evaluate and direct that appropriate processes and systems are in place to monitor, evaluate and report cyber security risks associated with the business of the Company and to review the adequacy of the existing measures to mitigate the said risk.
- The Committee shall perform such other functions as may be required under the relevant provisions of the SEBI (LODR) Regulations, 2015, any other applicable laws and various circulars issued by the regulatory authorities thereof, as amended from time to time.

Composition and attendance of the members of Risk Management Committee during the financial year 2021-22

Risk Management Committee presently comprises of Four (4) Members, one of whom is Independent Director. The Committee meeting took place on September 23, 2021 and March 21, 2022 respectively. The Composition and attendance record of the

Risk Management Committee members for the financial year 2021-22 is as follows:

Name of Director	Category	Number of meetings during the financial year 2021-22	
		Held	Attended
Mr. Mayank Singhal, Chairperson	Executive and Non-Independent Director	2	2
Mr. Narayan K. Seshadri, Member	Non-Executive & Independent Director	2	2
Mr. Rajnish Sarna, Member	Executive & Non-Independent Director	2	2
Dr. Raman Ramachandran, Member	Non- Executive & Non- Independent Director	2	0
Dr. K.V.S. Ram Rao, Member*	Executive & Non-Independent Director	1	1

* Dr. K.V.S. Ram Rao ceased to be member of the Committee in lieu of his resignation from the position of Whole- time Director of the Company w.e.f. January 01, 2022.

Ms. Shilpa Sachdeva Bhullar acts as Chief Risk Officer of the Company.

vii) M&A COMMITTEE

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 views the various operational issues arising out of such opportunities and helps the Board to take informed decision based upon the Committee inputs.

Composition and attendance of the members of M&A Committee during the financial year 2021-22

M&A Committee presently comprises of three (3) Members, one of whom is Independent Director. The Committee meeting took place on October 11, 2021. The Composition and attendance record of the M&A Committee members for the financial year 2021-22 is as follows:

Name of Director	Category	Number of meetings during the financial year 2021-22	
		Held	Attended
Mr. Mayank Singhal, Chairperson	Executive and Non-Independent Director	1	1
Mr. Narayan K. Seshadri, Member	Non-Executive & Independent Director	1	1
Mr. Rajnish Sarna, Member	Executive & Non-Independent Director	1	1
Dr. K.V.S. Ram Rao, Member*	Executive & Non-Independent Director	1	1

* Dr. K.V.S. Ram Rao ceased to be member of the Committee in lieu of his resignation from the position of Whole-time Director of the Company w.e.f. January 01, 2022.

4. DIRECTOR'S REMUNERATION

i Remuneration paid to Executive Director(s).

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 the annual increments within the salary scale approved by the members and also 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.

Details of remuneration paid to the Executive Directors during the financial year 2021-22 are as follows:

(Rs./ Mn.)

Name of Director	Salary	Retiral	Perq.	Commission@	Total
Mr. Mayank Singhal, Vice Chairperson & MD	39.15	6.73	39.15	80	165.03
Dr. Raman Ramachandran, MD & CEO*	13.84	2.33	13.84	-	30.01
Mr. Rajnish Sarna, Joint Managing Director	19.84	3.33	19.84	24	67.01
Dr. K.V.S. Ram Rao, Whole-time Director**	11.46	1.55	11.46	-	24.47

@ Commission payable for FY 2021-22.

a) Retiral benefits includes PF, Gratuity and Superannuation.

b) Mr. Mayank Singhal holds 3,20,28,510 equity shares of the Company as on March 31, 2022.

c) Mr. Rajnish Sarna holds 1,25,512 equity shares of the Company as on March 31, 2022.

Remuneration paid to Dr. Raman Ramachandran and Dr. K.V.S. Ram Rao is upto December 31, 2021.

* Dr. Raman Ramachandran stepped down from his executive role of Managing Director and CEO and became a Non- Executive Non-Independent Director on the Board w.e.f. January 01, 2022.

** Dr. K.V.S. Ram Rao resigned from the position of Whole-time Director of the Company w.e.f. January 01, 2022.

ii. Remuneration to 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.

The details of sitting fees and commission paid to the Non-Executive Directors for financial year ended March 31, 2022 and No. of equity shares held by them as on March 31, 2022 are as under:

Name of Director	Sitting Fees (₹/Mn.)	Commission @ (₹/Mn.)	No. of Equity Shares held
Mr. Narayan K. Seshadri	0.98	18	4,84,259
Mr. Pravin K. Laheri	0.60	2.5	-
Ms. Ramni Nirula	0.75	2.5	787
Dr. T.S. Balganes	0.30	3.6	-
Mr. Arvind Singhal	0.38	2.5	-
Ms. Lisa J. Brown	0.38	2.5	-
Dr. Raman Ramachandran*	-	0.625	-
Mr. Shobinder Duggal	0.15	1.25	-

@ Commission payable for FY 2021-22.

* Dr. Raman Ramachandran stepped down from his executive role of Managing Director and CEO and became a Non- Executive Non-Independent Director on the Board w.e.f. January 01, 2022.

Service Contract and Notice period of the Vice Chairperson & Managing Director and Joint Managing Director

The same is governed by terms of the resolution(s) approved by the members of the Company while approving their respective appointment.

5. 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 which also includes the model Code of Conduct for Independent Directors

in accordance with Schedule IV to the Companies Act, 2013. All Independent Directors have affirmed the compliance to aforesaid code. 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 'C'** to the Corporate Governance Report. The code of conduct can be accessed at following web-link on company website. https://www.piindustries.com/Media/Documents/Code%20of%20Conduct_for_Directors%20and%20Sr.%20Management.pdf

6. PROHIBITION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading, under the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code lays down guidelines for procedures to be followed and disclosures to be made by insiders while trading in the securities of the Company. Mr. Naresh Kapoor has been appointed as the Compliance Officer for ensuring compliance with and for the effective implementation of the Regulations and the Code across the Company.

The Company has also adopted a Fair Code of Practices and procedure for Corporate Disclosure, for ensuring timely and adequate disclosure of Unpublished Price Sensitive Information by the Company, to enable the investor community to take informed investment decisions with regard to the Company's shares. 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 same has been posted on Company's website.

<https://www.piindustries.com/Media/Documents/PI%20Code%20of%20Practices%20and%20Price%20Sensitive.pdf>

7. OTHER DISCLOSURES

a) Related Party Transactions during the year under review

All transactions entered into with related parties (RPTs), as defined under the Act, 2013 and the Listing Regulations during the financial year ended March'22 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 significant 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 Note no. 35 in balance sheet as per Indian Accounting Standard 24 (IND AS 24) notified vide Companies (Indian Accounting Standard) Rules, 2015. Related Party Transaction policy is available on Company's website at following link:

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

b) No Penalties, Strictures imposed

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, penalties, strictures 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) Dematerialisation and Liquidity

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).

Percentage of shares held in physical and dematerialised form as on March 31, 2022 is as follows:-

Physical Form	:	0.05%
Electronic Form with NSDL	:	97.65%
Electronic Form with CDSL	:	2.30%

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 extent applicable.

e) Policy for determining Material Subsidiaries

The Company has a policy for determining "Material" subsidiary in compliance with the Listing Regulations, 2015. Copy of aforesaid policy is also available on the company's website. The web link for the same is

<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 had managed the foreign exchange risk and hedged to the extent necessary as laid out in the hedging policy of the Company. The Company enters into forward contracts for hedging foreign exchange exposure against exports and imports.

Details of foreign exchange exposure are disclosed in Note no. 38 of Financial Statements for the year ended March 31, 2022.

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, 2022 is in compliance with the requirements of Part C of Schedule V of Listing Regulations, 2015.

The status of Adoption of the non-mandatory requirements as specified in Sub- Regulation 1 of Regulation 27 of Listing Regulations, 2015 are as follows:-

- The Board:** The Chairperson of the Board is Non-Executive Independent Director and maintains separate office, for which Company is not required to reimburse any expense.
- 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

<https://www.piindustries.com/investor-relations/Financials/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 Independent Director; and
 - (b) not related to 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 ₹ 9 Mn (including LR, Certification fee, audit fee etc.)
- k) Certificate on 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 Practising Company Secretary on April 25, 2022 which is annexed as **Annexure 'E'**.
- 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.

The Company has not received any complaint of sexual harassment during the financial year 2021-22.

8. GENERAL BODY MEETINGS

- i. Date and Venue of last three Annual General Meetings were held as under:**

Date/Venue	Time	Type of Meeting
September 14, 2021 Through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM)	10:30 A.M.	Annual General Meeting
September 25, 2020 Through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM)	11.00 A.M.	Annual General Meeting
September 9, 2019 P.P. Singhal Memorial Hall, Udaipur Chamber of Commerce & Industry, Madri, Udaipur – 313 001.	11.00 A.M.	Annual General Meeting

- ii. Special resolutions passed during last three AGMs**

Date of AGM	Subject matter of Special Resolutions passed
September 14, 2021	<ol style="list-style-type: none"> 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	<ol style="list-style-type: none"> 1. Re-appointment of Dr. T.S Balganesh (DIN: 00648534), as an Independent Director.
September 9, 2019	<ol style="list-style-type: none"> 1. Elevation of the position held by Mr. Mayank Singhal (DIN: 00006651) from Managing Director & CEO to Vice Chairperson & Managing Director of the Company w.e.f. September 09, 2019. 2. Appointment of Dr. Raman Ramachandran (DIN: 00200297) as Managing Director & CEO of the Company w.e.f. September 09, 2019. 3. Payment of Commission to Non-Executive Directors of the Company. 4. Approval for holding the office by Mr. Pravin K. Laheri (DIN: 00499080) as Non-Executive Independent Director on attaining the age of 75 years. 5. Approval of adoption of new set of Articles of Association of the Company 6. Amendment in the Capital Clause of the Memorandum of Association of the Company. 7. Amendment in the Objects Clause of the Memorandum of Association of the Company

9. POSTAL BALLOT

The Company has not carried out postal ballot exercise during the financial year 2021-22.

10. MEANS OF COMMUNICATION

The Company publishes the quarterly, half yearly and annual results, in the format prescribed by the Listing Regulations, 2015 read with the Circular issued there under, in one National and one Regional Newspaper apart from displaying it on its website and filing the same on online portals of NSE and BSE.

Official news release/presentations made to Investor analysts are updated on Company’s website at www.piindustries.com and on NEAPS/ NSE Digital Portal and BSE Listing Centre of NSE and BSE respectively. No unpublished price sensitive information is discussed in these presentations.

The NEAPS or new NSE Digital portal are the web-based applications designed by NSE and BSE Listing Centre is a

web-based application designed by BSE for corporates. All exchange filings are disseminated electronically on NEAPS/ NSE Digital Portal 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 investor complaints are processed in a centralised web-based complaints redressal system (SCORES) maintained by SEBI.

The quarterly Shareholding Pattern and Corporate Governance Report of the Company are filed with NSE through NEAPS/ NSE Digital Portal and with BSE through BSE Listing Centre. The Shareholding Pattern is also displayed on the Company's website under the "Investor Relations" section at <https://www.piindustries.com/investor-relations/Investor-Information/Shareholding>.

11. OUTSTANDING GDRs/ADRs/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY.

The Company has not issued any GDR/Warrants or any convertible instruments except stock options granted to the employees under PII-ESOP Plan 2010.

12. WHISTLE BLOWER POLICY

Pursuant to Section 177 of the Companies Act, 2013 and Regulation 22 of Listing Regulations, 2015, 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 member has been denied access to the Audit Committee. The Whistle Blower Policy has also been posted at the website of the Company at <http://www.piindustries.com/sites/default/files/Whistle%20Blower%20Policy.pdf>

13. 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 Mn to the eligible investors on July 09, 2020. Funds received pursuant to QIP remain invested in fixed deposits, liquid and other debt mutual funds. Till 31 March, 2022, the Company is yet to utilize the above proceeds.

14. GENERAL SHAREHOLDER INFORMATION

i. CONTACT INFORMATION

PI Industries Ltd.	CIN : L24211RJ1946PLC000469
Registered Office	Corporate Office
Udaisagar Road,	Vipul Square, 5 th Floor,
Udaipur - 313 001	B-Block, Sushant Lok Phase - I
Rajasthan (India)	Gurugram -122 009, Haryana (India)

Research & Manufacturing Facilities

- Udaisagar Road, Udaipur - 313 001 Rajasthan

- Plot No.237, GIDC, Panoli, Ankleshwar-394 116, Bharuch, Gujarat
- Plot No. SPM 28, SPM 29 and SPM 29/1, 29/2 Sterling SEZ, Village Sarod, Jambusar-392 180 Bharuch, Gujarat
- Plot No. 3133 to 3139, 3330 to 3351, 3231 to 3245 & 3517 to 3524 GIDC Panoli, Taluka, Ankleshwar, Distt. Bharuch, Gujarat
- 640, GIDC Industrial Estate, Panoli -394 116, Tal. Ankleshwar, Dist.: Bharuch, Gujarat

ii. Name, Address and Contact Number of Compliance Officer and Company Secretary.

Mr. Naresh Kapoor, Company Secretary,
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 : September 03, 2022
Time : 10:30 am
Mode/ Through : Video Conference ("VC")/ Other Audio Visual Means ("OAVM")

iv. Financial Calendar

The Company follows the financial year from 1st April to 31st March.

The tentative calendar for declaration of financial results in financial year 2022-23 is as follows:

Unaudited Financial Results for the Qtr. ending June, 2022	On or before August 14, 2022
Unaudited Financial Results for the Qtr. ending September, 2022	On or before November 14, 2022
Unaudited Financial Results for the Qtr. ending December, 2022	On or before February 14, 2023
Audited Financial Results for the year ending 31 st March, 2023	Before the end of May, 2023
Annual General Meeting for the year	On or before August 31, 2023

v. Book Closure Date

The dates of book closure are from August 27, 2022 to September 03, 2022

vi. Dividend

During the year, the Board of Directors of the Company declared an interim dividend of ₹ 3/- per equity share in its Board Meeting held on February 03, 2022 on 15,17,18,118 equity shares of ₹ 1/- each which was paid on March 02, 2022. In addition to same, the Board has recommended a final dividend of ₹ 3/- per equity share thereby taking total dividend to Rs.6/- per equity share. Final dividend, if approved by shareholders shall be paid to those shareholders who holds equity shares of the Company as on August 26, 2022.

vii. 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.

viii. Stock Market Price data

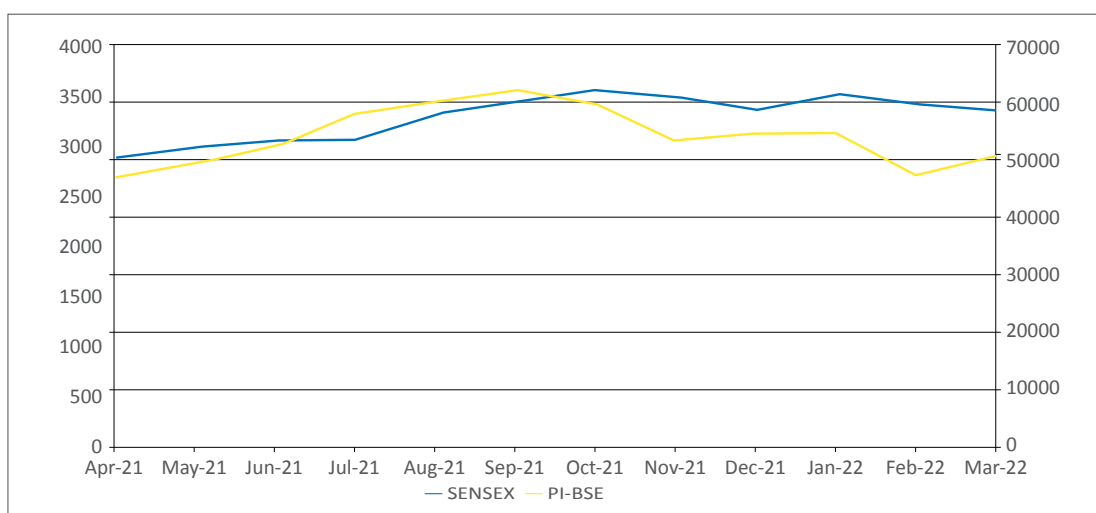
The monthly high and low of the market price of the equity shares of the Company for the year ended March 31, 2022 at BSE Limited and National Stock Exchange of India Ltd. were as under:

Stock price in ₹/share

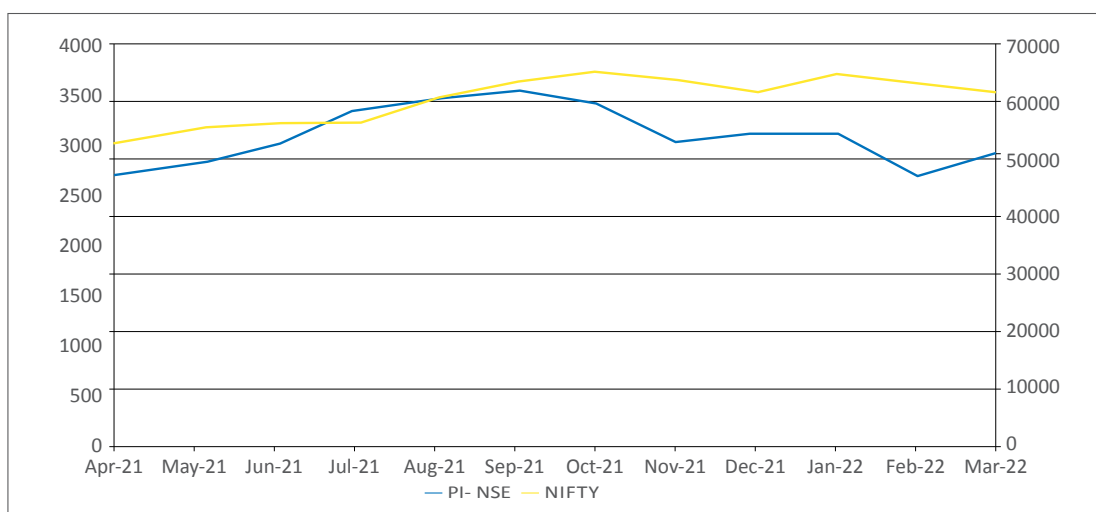
Month	BSE		NSE		NIFTY	SENSEX
	High	Low	High	Low	Closing high	Closing high
April, 2021	2668.85	2201.75	2669.00	2201.85	14894.90	50029.83
May, 2021	2795.00	2471.35	2795.00	2470.00	15582.80	51937.44
June, 2021	2966.05	2586.00	2960.60	2586.55	15869.25	52925.04
July, 2021	3309.00	2895.05	3309.75	2893.35	15924.20	53158.85
August, 2021	3425.00	2962.00	3426.40	2956.00	17132.20	57552.39
September, 2021	3533.30	3100.25	3534.90	3100.10	17855.10	60077.88
October, 2021	3403.80	2865.05	3406.90	2865.00	18477.05	61765.59
November, 2021	3030.00	2701.85	3031.90	2700.90	18109.45	60718.71
December, 2021	3105.00	2764.80	3106.50	2762.45	17516.85	58807.13
January, 2022	3105.25	2334.35	3108.00	2333.55	18308.10	61308.91
February, 2022	2684.90	2370.60	2684.40	2371.00	17780.00	59558.33
March, 2022	2882.15	2352.95	2885.40	2351.30	17498.25	58683.99

(Source: NSE/BSE website)

PERFORMANCE OF COMPANY SHARES VS BSE SENSEX



PERFORMANCE OF COMPANY SHARES VS NIFTY



ix. Registrar and Transfer Agents
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,
Hyderabad, Rangareddi, Telangana, India - 500 032

Contact Person: Mr. N. Shivakumar

Email: einward.ris@kfintech.com

Tel: 040-67162222 Fax: 040-23001153

Share Transfer Mechanism

The share transfer requests received in respect of share certificates held in physical form shall not be processed unless the securities are held in the dematerialized form with a depository.

The details of transfers/ transmission so approved from time to time, are placed before the Stakeholder's Relationship Committee for noting and confirmation.

A statement summarising the transfer/transmission/Remat/Demat/Sub-Division of securities of the Company duly signed by the Company Secretary is also placed at the quarterly board meeting.

Pursuant to Regulation 40(9) of Listing Regulations, 2015, Certificate on annual basis confirming due compliance of share transfer formalities by the Company, certificates for timely dematerialization of the shares as per SEBI (Depositories and Participants) Regulations, 1996 and Reconciliation of the Share Capital Audit Report obtained from a practicing Company Secretary have been submitted to stock exchanges within stipulated time and the same have been updated on Company's website.

x. Distribution of Shareholdings (As on March 31, 2022)

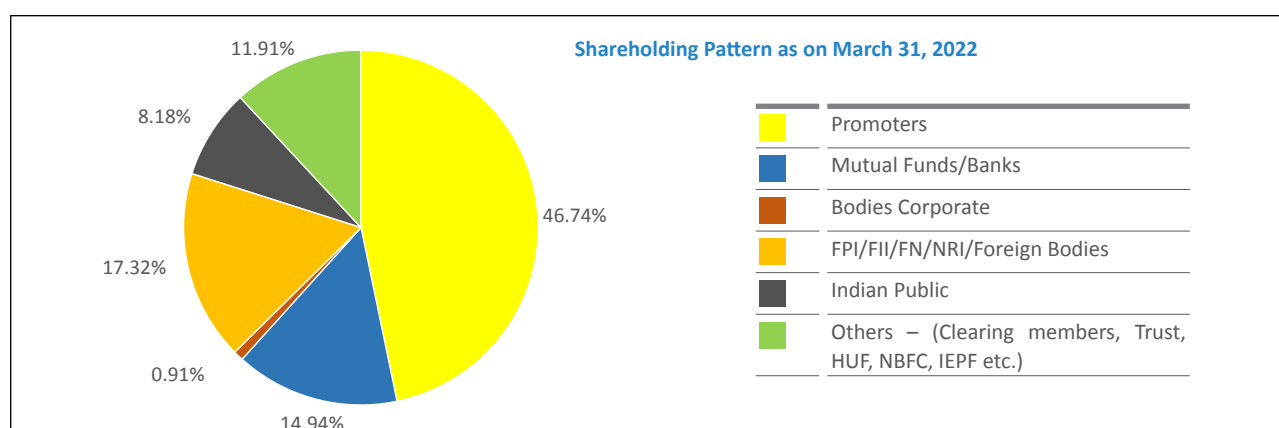
Shareholding of Nominal value of	Shareholders		Share Capital (Amount)	
	No.	% to total	In ₹	% to total
1-5000	1,56,203	99.52	1,06,16,015	7.00
5001- 10000	250	0.16	18,13,182	1.20
10001- 20000	154	0.10	21,08,798	1.39
20001- 30000	60	0.04	14,88,719	0.98
30001- 40000	40	0.03	14,12,891	0.93
40001- 50000	32	0.02	14,26,263	0.94
50001- 100000	83	0.05	58,27,830	3.84
100001& Above	138	0.09	12,70,24,420	83.72
Total	1,56,960	100	15,17,18,118	100

xi. Demat Status (As on March 31, 2022)

Mode	No. of shareholders	No. of shares	%
Demat	1,56,921	15,16,39,702	99.95
Physical	39	78,416	0.05
Total	1,56,960	15,17,18,118	100

xii. Category of Shareholders on PAN basis (As on March 31, 2022)

S. No.	Category	No. of shareholder	No. of shares held	Voting strength (%)
1	Promoters	6	7,09,20,494	46.74
2	Mutual Funds/Banks	31	2,26,67,848	14.94
3	Indian Bodies Corporate	1,330	13,83,313	0.91
4	FPI/FII/FN/NRI/Foreign Bodies	5,959	2,62,72,678	17.32
5	Indian Public	1,41,729	1,24,02,945	8.18
6	Others – (Clearing members, Trust, HUF, NBFC, IEPF etc.)	2,083	1,80,70,840	11.91
	Total	1,51,138	15,17,18,118	100



xiii. 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 usually 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 to <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).

xiv. Unclaimed Dividend

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 14, 2021 (date of last Annual General Meeting) on the Company’s website and on the website of the Ministry of Corporate Affairs. The web link for the same is

<https://www.piindustries.com/investor-relations/Investor-Information/Shareholders-Information>

The status of the unpaid/unclaimed dividend for the following Financial Years are as follows:

S. No.	Financial Year	Date of declaration of Dividend	Date of Transfer/Due date of transfer of Dividend to IEPF a/c
1	2014-15/ Final Dividend	15.09.2015	21.10.2022
2	2015-16/ 1 st Interim Dividend	27.10.2015	03.12.2022
3	2015-16/ 2 nd Interim Dividend	14.03.2016	20.04.2023
4	2016-17/ Interim Dividend	25.10.2016	01.12.2023
5	2016-17/ Final Dividend	06.09.2017	12.10.2024
6	2017-18/ Interim Dividend	25.10.2017	01.12.2024
7	2017-18/ Final Dividend	06.08.2018	12.09.2025
8	2018-19/ Interim Dividend	26.10.2018	02.12.2025
9	2018-19/ Final Dividend	09.09.2019	15.10.2026
10	2019-20/ Interim Dividend	12.02.2020	18.03.2027
11	2019-20/ Final Dividend	25.09.2020	29.10.2027
12	2020-21/ Interim Dividend	02.02.2021	06.03.2028
13	2020-21/ Final Dividend	14.09.2021	19.10.2028
14	2021-22/ Interim Dividend	03.02.2022	10.03.2029

xv. Transfer of shares to IEPF

Pursuant to the provisions contained in Section 124 of the Companies Act, 2013 read with IEPF rules, the Company has transferred 3,620 and 60 equity shares on May 04, 2021 and November 03, 2021 respectively, pertaining to shareholders in respect of whom there was unclaimed dividend for consecutive seven years, to demat account held in PNB by IEPF Authority in compliance with the provisions of the Companies Act, 2013 read with IEPF Rules made thereunder.

xvi. 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.

xvii. 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 November 03, 2021 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 April 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.

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 6th November, 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.

Depository System: SEBI vide its Notification dated 08th June 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 Dematerialization request Form (DRF) to the Depository Participant (DP)

- DP shall process the DRF, generate a Unique Dematerialization Request No. and forward the DRF along

with the share certificate to the Registrar and Share Transfer Agent (RTA)

- RTA after processing the DRF will confirm/ reject the request to depositories
- If confirmed by RTA, depositories will credit shareholder's account maintained with DP.

The entire process shall take 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.

xviii. 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, 2015.

In compliance with Regulation 17(8) of Listing Regulations, 2015, an annual declaration by the Managing Director and Chief

Financial Officer, is also annexed as **Annexure 'D'** hereinafter which inter-alia certifies to the Board the accuracy of financial statements and the adequacy of internal controls for the financial reporting purpose.

xix. Auditor's Certificate

As required under Clause E of Part C of Schedule V of the Listing Regulations, 2015, the Statutory Auditors of the Company have verified the compliances of the Corporate Governance by the Company. Their certificate is annexed as **Annexure 'F'** hereinafter.

xx. Annual Secretarial Compliance Report

Pursuant to Regulation 24A(2) of Listing Regulations, 2015, 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.

On behalf of the Board of Directors
For **PI Industries Limited**

Sd/-
Narayan K. Seshadri
Chairperson
DIN: 00053563

Place: Mumbai
Date: May 17, 2022

Annexure 'A' to CGR report

Name of listed companies in which board members hold directorship along with their categories below:-

S.N o	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.	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 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.	Dr. Raman Ramachandran* Non Independent Director DIN: 00200297	1	PI Industries Ltd.	Non-Executive Non Independent Director
5.	Ms. Ramni Nirula, Independent Director DIN: 00015330	5	1. PI Industries Ltd. 2. DCM Shriram Ltd. 3. HEG Limited 4. Usha Martin Limited 5. Kirloskar Brothers Ltd.	Non-Executive Independent Director Non-Executive Independent Director Non-Executive Independent Director Non-Executive Independent Director Non-Executive Independent Director
6.	Mr. Pravin K. Laheri, Independent Director DIN: 00499080	2	1. PI Industries Ltd 2. Nikhil Adhesives Ltd.	Non-Executive Independent Director Non-Executive Independent Director
7.	Mr. Arvind Singhal, Non Independent Director DIN: 00092425	1	PI Industries Ltd.	Non-Executive Non Independent Director
8.	Dr. T.S. Balganes,sh, Independent Director DIN: 00648534	1	PI Industries Ltd.	Non-Executive Independent Director
9.	Ms. Lisa J. Brown, Independent Director DIN: 07053317	1	PI Industries Ltd.	Non-Executive Independent Director
10.	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

* Dr. Raman Ramachandran stepped down from his executive role of Managing Director and CEO and became a Non- Executive Non-Independent Director on the Board w.e.f. January 01, 2022

** Mr. Shobinder Duggal was appointed as an Additional Director on the board w.e.f. November 12, 2021.

Annexure 'B' to CGR Report

Skill Matrix chart for Individual Directors

Name of Director	Industry Experience	Mergers & Acquisitions	Business Management & Corporate Strategies.	Finance & Taxation	Technology expertise	Corporate Governance	Legal & Regulatory	Risk Management	Govt./ Public Policy	Marketing/ Sales	Human Capital/ Compensation
Mr. Narayan K. Seshadri	✓	✓	✓	✓		✓	✓	✓			✓
Mr. Mayank Singhal	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Raman Ramachandran	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓
Dr. T.S. Balganes	✓	✓	✓		✓	✓		✓	✓		
Ms. Ramni Nirula	✓	✓	✓	✓		✓		✓	✓	✓	✓
Mr. Pravin K. Laheri		✓	✓			✓	✓	✓	✓		✓
Mr. Arvind Singhal	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓
Mr. Rajnish Sarna	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓
Ms. Lisa J. Brown		✓	✓	✓		✓	✓	✓	✓		
Mr. Shobinder Duggal		✓	✓	✓		✓	✓	✓	✓		

* Mr. Shobinder Duggal was appointed as an Additional Director on the board w.e.f. November 12, 2021.

Annexure 'C' : 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 17(5) and Clause D of Part C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Code of Conduct has been laid down for all the Board Members and Senior Management of the Company. The Board Members and Senior Management personnel have affirmed compliance with the Company's code of conduct for the year ended March 31, 2022.

Place: Mumbai
Date: May 17, 2022

Sd/-
Mayank Singhal
Vice Chairperson and Managing Director
DIN: 00006651

Annexure 'D' : 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, 2022 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.

Place: Mumbai
Date: May 17, 2022

Sd/-
Mayank Singhal
Vice Chairperson & Managing Director
DIN: 00006651

Sd/-
Manikantan Viswanathan
Chief Financial Officer

Annexure 'E' : 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 Udaisaragar 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 31st March, 2022 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.	Ms. Ramni Nirula	00015330	28/07/2010
3.	Mr. Narayan Keelveedhi Seshadri	00053563	27/01/2006
4.	Mr. Arvind Singhal	00092425	05/10/2016
5.	Dr. Raman Ramachandran	00200297	01/07/2019
6.	Mr. Pravin Kanubhai Laheri	00499080	20/01/2010
7.	Dr. Tanjore Balganeshe Soundararajan	00648534	16/05/2017
8.	Mr. Rajnish Sarna	06429468	07/11/2012
9.	Ms. Lisa Jane Brown	07053317	04/08/2020
10.	Mr. Shobinder Duggal	00039580	12/11/2021

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: F005129D000198872

Place: Delhi
 Date: April 25, 2022

Annexure 'F' : 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, 2022 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 17, 2022

Business Responsibility Report

[As per Regulation 34 (2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Introduction

The Company firmly believes that good corporate governance practices coupled with the ingredients of the Triple Bottom Line i.e. economic, environmental and social performance drives the balanced development of your Company that not only maximizes shareholder value but also integrates sustainability and responsibility within the organization.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company	L24211RJ1946PLC000469
2. Name of the Company	PI INDUSTRIES LTD.
3. Registered address	Udaisagar Road, Udaipur-313001, Rajasthan
4. Website	www.piindustries.com
5. E-mail id	corporate@piind.com
6. Financial Year reported	2021-22

7. Sector(s) that the Company is engaged in (industrial activity code-wise)

The Company is engaged in Agri-Inputs (NIC Code-3808)

8. List three key products/services that the Company manufactures/provides (as in balance sheet)

- i) The Company principally manufactures "Agri Inputs" comprising of crop protection chemicals and plant growth nutrients.
- ii) It also manufactures the chemical intermediates and active intermediates for exports to global innovators.

The Company is in the business of manufacturing and distribution of Agro Chemicals and accordingly has one reportable business segment viz. 'Agro Chemicals'.

Three products of the Company are:

1. Awkira
2. Brofrefya
3. PB Knot

Following are the services which Company provides for:

1. The Company principally manufactures "Agri Inputs" comprising of crop protection chemicals and plant growth nutrients.
2. It also manufactures the chemical intermediates and active intermediates for exports to global innovators.

9. Total number of locations where business activity is undertaken by the Company:

- i) Number of International Locations:

The Company has three offices located in Japan, China & Germany.

- ii) Number of National Locations:

The Company has its research and development facilities in Udaipur and its manufacturing locations in Panoli & Jambusar in Gujarat. In addition to same, the Company (PI industries Limited) has 26 depots across India.

PI's wholly owned subsidiary has 23 depots.

10. Markets served by the Company

The Company's major markets include India, Japan, United States of America, Europe, Australia, Latin America, Asia Pacific, African and Middle Eastern Countries.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital	₹ 151718118
2. Total Turnover	₹ 50769 Mn.
3. Total profit after taxes	₹ 8197 Mn.

4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)

Co. has contributed an amount of ₹ 136.84 Mn to PI Foundation, CSR arm of PI Industries. The Trust has spent an amount of ₹ 94.82 Mn. during the year.

5. List of activities in which expenditure in 4 above has been incurred: -

- a. Environmental Sustainability
- b. Education, Skill Development and Livelihood Enhancement Projects
- c. Health, Hygiene and Sanitation
- d. Women Empowerment
- e. Rural development
- f. Training and Capacity Building of CSR Team and Administrative Expenses

For details, kindly refer to Principle 8, Section E

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?

Yes, the Company has 7 subsidiary companies.

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s)

Subsidiary Companies are closely integrated with BRR initiatives of PI.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities?

The Company encourages its suppliers, dealers, partners and other stakeholders to support various initiatives taken by the Company towards its business responsibility.

Various activities in alignment with Company’s BRR initiatives are taken up by the suppliers, by way of illustration as below:

- 1. Conducting training to the workforce on health and safety measures.
- 2. Conducting awareness session on the usage of Personal Protective Equipment (PPE), first aid & safe handling of substances and maintaining social distancing.
- 3. Support in distributing food kits to migrant and daily-wage labourers around our plant locations in Gujarat.
- 4. Providing safe drinking water in Andhra Pradesh and Karnataka region;
- 5. Providing safe drinking water in Andhra Pradesh and Karnataka region;

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

a. Details of the Director/Directors responsible for implementation of the BR policy/policies

- i. DIN : 00006651
- ii. Name : Mr. Mayank Singhal
- iii. Designation : Vice Chairperson and Managing Director

b. Details of the BR head

S. No.	Particulars	Details
1	DIN (if applicable)	N.A
2	Name	Mr. Manikantan Viswanathan
3	Designation	Chief Financial Officer
4	Telephone number	+91 022 6266 5600
5	E-mail ID	manikantan@piind.com

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:

- P1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- P3 Businesses should promote the well-being of all employees.
- P4 Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- P5 Businesses should respect and promote human rights.
- P6 Business should respect, protect and make efforts to restore the environment.
- P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- P8 Businesses should support inclusive growth and equitable development.
- P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner.

S. No	Questions	P1 Ethics & accountability	P2 Product life cycle assessment	P3 Employee well being	P4 Marginalized stakeholders	P5 Human rights	P6 Environment	P7 Policy advocacy	P8 Equitable development	P9 Customer value
1	Do you have a policy/policies for...?	Yes	Yes	Yes	Yes	Yes	Yes	N.A.	Yes	Yes
2	Has the policy being formulated in consultation with the relevant stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	N.A.	Yes	Yes
3	Does the policy conform to any national /international standards? If yes, specify? (50 words)	Our policies/ codes are in line with the relevant and applicable national / international standards and practices such as International Labor Organization (ILO), United Nation Declaration of Human Rights, OECD Guidelines for Multinational Enterprises, initiatives under Responsible Care® etc. Additionally, Company has got certifications with various standards like ISO 14001, OHSAS 18001, Responsible care etc.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/ CEO/ appropriate Board Director?	Statutory policies are placed before the Board for consideration and approval. All other policies are approved by the Managing Director.								
5	Does the Company have a specified Committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes	Yes	Yes	Yes	Yes	Yes	N.A.	Yes	Yes
6	Indicate the link for the policy to be viewed online?	Company's CSR Policy is available at : https://www.piindustries.com/sustainability/CSR/CSR-Policy All the other relevant policies are available on Company's internal network and some are published on Company's website: http://www.piindustries.com/sustainability/Governance/Sustainability-Policy , https://www.piindustries.com/sustainability/EHS/Environment-Health-and-Safety								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, the policies have been communicated to all the internal stakeholders and the external stakeholders.								
8	Does the Company have in-house structure to implement the policy/ policies?	Yes, the Company has established in-house structures to implement these policies.								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/policies?	Yes, the Company has grievance redressal mechanism related to all such policies. The Whistle Blower Policy provides mechanism to report any concerns or grievances pertaining to potential violation of any policies.								
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes, the implementation of the policies of the Company is reviewed through internal audit function. The Quality, Safety, Health and Environment Policies are additional subject to internal and external audits as a part of different certifications process including ISO-9001, ISO-14001 etc.								

3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

The Company publishes the Business Responsibility Report as a part of the Annual Report of the Company. The Report is available in the public domain @ <https://www.piindustries.com/>

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Company has initiated publication of its Sustainability report. The report was published last year for year 2020-2021, and the same can be referred via: <https://www.piindustries.com/>

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1- Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

Company recognizes and reinforces highest standards of integrity ad behavior and attempts to ensure compliance with the internal policies & applicable laws through its compliance systems at all of its operations and throughout the value chain. We are committed to develop a culture which teaches dignity, respect and support for ethics, bribery and corruption.

Company has following key policies/ codes which govern the conduct of Company and its group level companies, Joint ventures, suppliers, contractors, customers, etc.

- Anti-Bribery and Anti-Corruption Policy: communicates and guides regarding clean and fair practices & processes followed by the Company. It applies to all individuals working for PI and all subsidiaries of PI at all levels and grades, including Directors, senior executives, officers, employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, casual workers, volunteers, interns, agents, or any other person and third parties associated with PI.
- Code of Conduct: to articulate high standards of honesty, integrity, ethical and law abiding behavior expected of all employees while also meeting the requirements of external stakeholders and applicable laws. It is a guiding document while dealing with various stakeholders within and outside the Company such as employees, customers, suppliers, consultants, government agencies etc. It covers Equal employment opportunity, conflict of interest, DEI, anti-discrimination, policy related to environment, health & society, data privacy etc.
- Supplier Code of Conduct: sets forth the basic requirements of PI’s core values and global commitment towards internationally recognized environmental, social and corporate governance standards that Suppliers are required to respect and adhere to in letter and spirit when conducting business with PI Industries Ltd.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

The Company has not received any complaint from any stakeholder in last financial year relevant to this principle.

Principle 2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.
2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):
- a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?
 - b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

We exercise due care in the entire value chain of our product’s life cycle. We ensure absolute compliance with respect to product designing, production and consumption, thereby minimizing the harmful effects to health and environment. Our Research and Development efforts have over the years, replaced some of the hazardous ingredients from the raw material repository with safer elements. Besides the above, we also undertake extensive bio efficacy studies to determine the bio accumulation of products and relevant toxicity studies. Informative labelling and guidance to usage is always included in the product packaging.

The three products are:

- i) **Awkira** is a broad spectrum pre-emergent herbicide for management of grasses & broad leafy weeds in crops like Wheat, Corn & Soybean. It addresses the social and environmental concerns by offering the following advantages:
 - i) Controls major grasses and broad leaf weeds in target crops thus minimizing the yield losses caused by weed infestation;
 - ii) Helps crop reach its maximum yield potential & thus helping farmers get better yields & ROI.
 - iii) Is environment friendly and is safe to crops.
 - iv) Effective weed control enables the saving of labour resource.
 - v) Is driven by application support services that aim at providing better & efficient services to user. Our spray machines contribute towards mechanization of agriculture in India while also improving efficacy of Awkira.

- ii) **Brofreya** is a revolutionary insecticide under IRAC group 30 for management of Leps & sucking pests in Chilli, Cabbage, Brinjal & Okra crops. It addresses the social and environmental concerns by offering the following advantages:
 - i) Gives effective control against most of the resistant target pest population.
 - ii) Has less leaching potential hence chances of groundwater contamination are very less.
 - iii) With 1 Day Pre harvest interval, Brofreya helps farmers by reducing the wastage of perishable commodities.
 - iv) Reduces overall pesticide load by saving on extra applications/sprays, which leads in significant reduction of input cost burden on farmers.
- iii) **PB Knot** is India's first Pheromone based chemistry to address pink bollworm menace affecting cotton crop. It addresses the social and environmental concerns by offering the following advantages:
 - i) With less than 60 g a.i/ha used, it is safer than the existing molecules in the market.
 - ii) Does not require water for its application, which can save around 500 L/ha water which is generally required for application of conventional pesticides.
 - iii) Most efficient, environmental friendly pest management tool with no harmful effect on natural enemies and non-target pests.
 - iv) Best fit in IPM of boll worm management.
- iv) **Disruptor** is an innovative insecticide for management of devastating pest- BPH in Rice crop.
 - i) Powered with XP technology, Disruptor works on all stages of BPH.
 - ii) Dual mode of action of the two component insecticides (Dinotefuran & Pymetrozine) help in better IRM against BPH.
 - iii) No adverse effect on natural enemies in Rice crop.
 - iv) Healthy & strong tillers till harvest help farmers in getting improved yields.

Additionally, the Company has made efforts in the direction of reducing the energy consumption of its products during their production/ distribution. Each manufacturing unit has registered savings in terms of utility specific consumptions.

The Direct Seeded Rice (DSR) Technology promoted by the Company contributes to a 25-30% savings in costs related to energy, water conservation, labour, etc. on the customer's end, since there is no transplantation apart from benefits on improved soil porosity and less carbon emission translating to a savings of nearly 1.88 trillion litres of water annually.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company has a formal policy for Sustainable Procurement for last few years. This is a part of our vendor on-boarding process wherein vendors are encouraged for usage of Solar, Wind Energy, Water conservation and Waste reduction. As a Responsible Care Company, we are committed towards the safety, health, and environmental risks in the best interests of our customers, employees, shareholders, society and the environment. The Company continues initiatives in this direction, few of which are mentioned below:

- As per usual practice Company had organized Vendor Meet, visited vendor locations in phase wise approach during February 2022. The purpose of the meet was to understand the progress on ongoing initiatives of new packaging with each supplier. Our Technical Team offers necessary guidance so that the suppliers can get necessary support to run their business in more environment friendly, compliant and therefore sustainable in the long run.
- Various initiatives are taken on packaging of both raw materials as well as finished product. The Company encourages procurement of raw materials in bulk, IBC containers or jumbo bags. This helps in reduced handling of various types of packing materials, better adherence to environment and safety guidelines and also maximum use of container space thereby reducing overall number of trips.
- Strengthen product stewardship reviews, ensure involvement of operations, supply chain, and technical experts.
- Standardization of packaging: New packaging is tamper proof, design architecture is customer friendly having mechanism of identification and material right usage. Utilisation of 100% Eco friendly packaging material which is conformed by ECO Label on each packaging material.
- Similarly, the Company continues to modify the packing of various finished products to reduce the usage of plastic and increase use of recycled paper.
- The Company has significantly changed the Material Handling process and instead of drums, most of the bulk products are being sourced in IBC container. This not only helps in reducing the drum handling but also ensures better adherence to environment and safety guidelines.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

As a result of past few years' initiatives, many critical raw materials which were imported so far are being procured locally now. With a view to de-risk ourselves from global chain disruption, more than 70% of the total raw material procurement is done locally which had significantly helped in this pandemic time.

One of the Initiatives that Company has taken in FY21-22 is paperless sourcing by adopting to digital procurement. 90% + material procurement spend was 100% paperless thus eliminating the usage of paper. PI Industries is also the part of the nicer globe community which pledges for Safe transportation, locally acclaimed standards, infrastructure & services for safe and secure transportation.

We are continuing our efforts for sustainable procurement of various packing materials within a close vicinity of our manufacturing unit(s). Today, our packing material is majorly procured from within Gujarat state, in a periphery of 200 Kms from our manufacturing units which

helps us contribute towards improving our overall carbon foot print and ensure sustainability in procurement.

Development of MSME (Micro, Small & Medium Enterprises) Vendors who supply good quality product at competitive prices is one of our long-term sustainability initiatives. The Company is associated with over 60 MSME enterprises which supply various raw materials and packing materials to us on a regular basis.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Company has in place “Sustainability Policy” which lays down the Company’s commitment to Environmental Safety. One of the focus areas under the Company’s Sustainability policy is “Waste Reduction and Reuse”

- A. **Solvent Recovery:** - Company has taken various initiatives for improvising its solvent recovery by more than 10% over previous year.
- B. **Water Recycling:** - Efforts are being made for making manufacturing sites zero discharge by installation and recycling of waste water.
- C. **Recycling Packaging Material:-** Company decontaminates its packaging material and recycles part of it for in-house use.
- D. **Waste Recycling:-** Company classifies its waste into Hazardous and Non- Hazardous categories, All Non- Hazardous waste goes to authorized recyclers for disposal, 25% of our Hazardous waste was recycled and rest was sent for incineration through co processing.

Principle 3- Businesses should promote the well-being of all employees.

- 1 Total number of permanent employees 3,079
- 2 Total number of employees hired on temporary /contractual/casual basis
- 3 Number of permanent women employees 87
- 4 Number of permanent employees with disabilities 7
- 5 Do you have an employee association that is recognized by Management? Refer note below*
- 6 Percentage of your permanent employees is members of this recognized employee association --

* We do not have any unions. But, we do have 50% employee and 50% worker representation in various committees that supports collective bargaining amongst our employees. Illustration: Worker representation is 50 % in the safety committee which is conveyed on quarterly basis.

1. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

S. No.	Category	No. of Complaints filed during the financial year	No. of Complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- Permanent Employees
- Permanent Women Employees
- Casual/ Temporary / Contractual Employees 100%
- Employees with disabilities

100% employees are covered for various safety trainings undertaken by the Company from time to time.

A substantial proportion of our employees are covered by technical/functional and behavioral skills up-gradation program each year.

Principle 4- Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the Company mapped its internal and external stakeholders? Yes/No

Yes, the Company mapped its internal and external stakeholders. At PI, we firmly believe that the business capabilities’ must be strengthened to fulfil various stakeholder expectations through greater engagement with special focus on those groups that are socially and economically marginalized. Hence, the Company has identified clusters of stakeholders who are directly and indirectly affected by its operations and designed suitable target mechanisms for each cluster.

Through our Sustainability Council, we define the criteria to identify the key stakeholders (internal and external) and various stakeholder engagement mechanisms. We prepare plans to achieve the long-term goals which enable us to drive the approach for the engagement and set the rules accordingly. Periodic meetings ensure equitable stakeholder contributions and remaining focused on priorities. Feedback

coming out of these meetings helps us identify opportunities and determine actions, revisit goals, and plan next steps for follow-up and future engagement.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes, the Company has identified the disadvantaged, vulnerable & marginalized stakeholders. At the beginning of the year, we prepare our Corporate Social Responsibility (CSR) initiatives considering the needs of our local communities in and around our manufacturing units. We engage with local communities and provide them with Subsidized primary healthcare, Skill Development Centre (for youth and women), bank linkages for women, hygiene awareness programs etc.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

The initiatives undertaken by the Company for the disadvantaged, vulnerable and marginalized stakeholders are elaborated in Principle 8 and in the Annexure on CSR activities forming part of the Director's Report for the financial year ended 31st March 2021.

Principle 5 - Businesses should respect and promote human rights.

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers /Contractors/ NGOs/Others?

Yes, the Company has a policy on human rights commitment, which is published on the Company's website and does extend to the Group/ Joint Ventures/Suppliers /Contractors/NGOs/Others. The Company makes sure that respect for human rights remains at the forefront of its business, by continually reviewing, monitoring and addressing the risks of our activities with regard to human rights.

Additionally, the provisions relating to adherence to global human rights principles and prohibition of human rights abuses have been laid down in the Sustainability Policy of the Company which applies to the Company and extends to the group, suppliers, NGOs, etc.

PI Industries observes:

- United Nations Universal Declaration of Human Rights.
- International Labor Organization's (ILO) eight core labor standards.
- OECD Guidelines for Multinational Enterprises.
- Responsible Care Global Charter.
- Ten principles of the UN Global Compact

2. How many stakeholder complaints have been received in the past financial year and what per cent was satisfactorily resolved by the management?

There were no stakeholder complaints received by the Company during the reported financial year.

Principle 6 - Business should respect, protect and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/ others.

Policy related to this principle covers the Company and also extends to the Group/Joint Ventures/ Suppliers/ Contractors etc.

Company is committed in making all possible efforts to ensure sustainability of operations not only for it but to its suppliers, contractors, partners, society and whole group. This is achieved through the Company's 'Environmental Policy & Sustainability Policy', where it addresses all the stakeholders who have direct or indirect influence in the Company's business activities. Sustainability is the key driver in all business decisions.

The Company has also won 'Golden Peacock Award for Sustainability' and retained the 'Responsible Care' certification.

Additionally, under the Company's CSR Policy where different CSR projects are undertaken to generate value for the society.

The policies are kept in the public domain via hosting it on the Company's website (www.piindustries.com).

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Yes, PI industries through its "Sustainability Policy" address the global environment issues like climate change & global warming. In order to achieve the same, various plans & strategies are devised. Highlights of few initiatives undertaken are as below:

- a. All the monitoring mechanism are in place for raw material consumption, energy usage, emissions, waste generation and operational efficiencies and same is monitored against stringent internal norms. Strategies for further reduction in emission and consumption are framed and implemented in phase wise manner.
- b. Various external audits are conducted to monitor the Company's performance and to identify areas of improvement viz. energy, ISO

14001: 2015 etc.

- c. The Company is signatory of the Responsible Care (RC) code of practices. There are various program run under Responsible care to ensure the best EHS practices in the supply chain and product stewardship.
- d. The Company undertakes S&P Global Corporate Sustainability Assessment for its sustainability ratings. Company is ranked in 82nd under S&P Global CSA, and is among top agrochemical supplier companies globally on sustainability practices.
- e. To reduce its environmental footprint in its supply chain & to encourage sustainable procurement, the Company has a system to evaluate its vendors for sustainability practices. This evaluation includes physical sustainability audit of critical suppliers.

3. Does the Company identify and assess potential environmental risks? Y/N

Yes, the Company identifies and assesses potential environmental risks through a standard procedure. All the sites evaluate environment risk for all operations by conducting aspect-impact studies and identifies significant environment risks. Based on the outcome of studies Environment Management Programs are framed for significant risk to reduce to risk level within acceptable limit. Progress of such programmes are reviewed periodically. From lifecycle perspective, evaluation is done for individual materials or group of material considering affinity and the ratings will be considered as appropriate

Our manufacturing and R&D sites are certified with Environment Management System (ISO 14001: 2015). All the environmental aspects are evaluated considering the following:

- a. Quantum of impact
- b. Frequency of environmental damage and its detection
- c. Regulatory obligations
- d. Consumption of resources
- e. Concern to public, employees or stakeholders
- f. Hazardous nature of substance
- g. Normal situation
- h. Abnormal/emergency situation

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

The Company has not registered any projects under Clean Development Mechanism.

5. Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Yes, various initiatives on clean technology, energy efficiency, renewable energy etc. have been undertaken. Key initiatives are summarized below:

- a. As a green energy initiative we are using solar and wind power at our manufacturing and R&D sites. In FY 2021-22 We generated 247,114 units of solar power at our Udaipur R&D facility and purchased 5,724,302 units of wind power at our manufacturing sites. Use of renewable energy consumption increased by 3 times compared to last year.
- b. We have dedicated operational excellence team who work toward energy conservation projects being taken every year. Key projects taken during this year are
 - Installation of micro turbine in cooling tower and VFDs in cooling tower fans and brine system (-35°C Brine & -15°C Brine)
 - Screw chiller in place of reciprocating brine system
 - Installation of standard scroll compressor with insulation panel on walls in cold room
- c. Segregation of waste at source and treatment as per their characteristics in ETP, MEE and incinerator or co-processing. In FY 2021-22 we disposed 77% of incinerable waste through co-processing

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes. We have a state of art treatment system to maintain the emission and discharge parameters well within the permissible limits given by CPCB/SPCB.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

With respect to the current financial year there is no show cause/legal notice pending for want of action.

Principle 7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. Is your Company a member of any trade and chamber or association? If Yes, name only those major ones that your business deals with:

The Company is the member of: -

1. Asia Business Council
 2. Udaipur Chamber of Commerce & Industry (UCCI)
 3. Confederation of Indian Industry (CII)
 4. Indian Chemical Council
 5. National Safety Council
 6. Indo-Australian Chamber of Commerce
 7. Association of Pesticides Manufacturers
 8. Panoli Industries Association
 9. Agro chem Federation of India
 10. Tamilnadu Pesticides Manufacturers Association
 11. Baroda Productivity Council
 12. Chemexcil
2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas**

Yes, the Company has been a member in the above institutions for almost two decades and has actively participated and advocated through the above associations. The Company has also played a part in suggesting reasonable amendments in various agriculture policies and has provided constructive feedback on various draft rules and regulations.

Principle 8 - Businesses should support inclusive growth and equitable development.

1. **Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof**

Our CSR interventions are deep-rooted in the triple bottom line framework for responsible business practices within: Social, Economic and Environmental pillars of sustainable development. The Company engages with the society through PI Foundation and community development initiatives to leverage its CSR activities for inclusive growth. These initiatives include: -

- **Environmental sustainability through conservation of natural resources & Sustainable Farming Practices:** - Propagation of agriculture system that is economically, environmentally and socially sustainable. Sustained agriculture practices such as direct seeding of Rice (DSR) through conservation of water, reduction in drudgery, reducing cost of cultivation and use of technology has led to saving 1.74 trillion liters of water during FY'22. Promotion of DSR technique through various farm extension activities has impacted over 20.8 Lac Acres of farm land till FY'22, from the inception of programme. 40,323, new farmers were covered through DSR program in the Fiscal Year. Facilitated increase in the yield and decrease in pest infestation through showcasing proper application of scientific and sustainable farming practices. In addition to this, we have also participated in promoting improved agricultural practices for sustainable production of cotton amongst 10,000 farmers in select districts of Gujrat, Maharashtra, Telangana, Andhra Pradesh and Karnataka.

- **Health, Hygiene and Sanitation: -**

One of our major community initiatives is to provide healthcare services to communities we serve through our corporate responsibility programs. In this regard in addition to regular services we continued our initiatives undertaken during the Covid -19 Crisis. Our Health Care services provide subsidized health care including medicines for the underprivileged; As a result, the annual spend on health care for those served has reduced to an average of 500 ₹ Per annum.

Access to preventive health care by deploying Mobile Health care vans provides preventive, promotive and curative health services at the beneficiary's doorstep. Around 90,287 people utilized the services of our "swasthya seva initiative this year. **PI Foundation is continuously utilising its 3 Mobile Medical Units 24x7 in 64 villages of Jambusar, Gujarat for screening of potential cases in the community.** Community outreach programs covered >30,000 people in 64 villages. 5 thematic health camps in fields of Gynecology, Pediatrics, Dermatology and Dental Services were conducted.

Education & Skill Development: Initiatives undertaken during Covid-19 on improving age appropriate learning and teaching outcomes were continuing amongst 15,000 children across 135 Govt. schools through online mode in 82 villages. Students are being taught reading, writing, comprehension and arithmetic via engaging parents through digital medium. To promote comprehensive learning, regular assignments were circulated on various activities such as creating science model and its experimentation, short stories, quiz programme, dictation, mathematical activities. Our mobile education van has been imparting learning to the last mile through interactive techniques, with over 1000 children benefitting from the same. We are increasing the youth employability through employment linked

skill-development courses on chemical plant operations, BPO, Electrical, Sales & Marketing and Hospitality in Gujrat. These courses have helped trained 480 youth in FY'22, providing jobs to 300 students in the organized sectors.

Livelihood Creation through Women Empowerment Programmes: - Improving the livelihood opportunities for around 7,000 women members and their families by providing them enhanced access to credit, bank linkages, skill development opportunities and entrepreneurship development; 3,267 women underwent financial and legal literacy training through workshops conducted, Besides, 385 women were also trained for various entrepreneur activities for generating additional livelihood opportunities.

Rural Infrastructure Development: PI identified a dearth of basic sanitary facilities in the villages surrounding our plant locations. Hence, we have taken up the responsibility to develop and strengthen sewage system thereby contributing to the hygiene and cleanliness of the village. The land for setting up of Sewage treatment system has been procured in FY'21.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

All the CSR Programmes are undertaken through PI Foundation which is the CSR arm for PI Industries. The foundation collaborates with reputed universities and organizations to involve experts in order to engage with various communities.

3. Have you done any impact assessment of your initiative?

We appraise our projects and internal assessment through efficient management system from time to time. Impact assessment is proposed every three years after the inception of the programme with mid-term reviews in the intervening years. PI Foundation conducted the impact assessment of its projects around plant location in FY 21-22 which measures the impact for subsequent three years. More impact assessments will be conducted in the years to come

4. What is your Company's direct contribution to community development projects Amount in INR and the details of the projects undertaken?

During the financial year 2021-22, the Company has contributed an amount of 137 Mn. towards community development projects. For details of the projects undertaken, refer the projects listed in the CSR report forming part of the Board Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes, the Company has taken multiple steps to ensure that their CSR programmes are adopted by the community. During the unprecedented Covid-19 crisis, PI ensured well-being of the community by engaging its mobile health van for circulating information on proper handwashing, wearing of masks, social distancing and other information on Covid-19. The initiatives were continued in FY 2021-22. An increased discipline with respect to Covid-19 specific behaviour and acceptance of such practices was observed. We kept our high-tech machines for conducting large scale sanitization drives at government authorities' disposal and which were utilised efficiently. Our mobile health services have also resulted an increase in health seeking behavior amongst the community. Our interventions in education, healthcare, women empowerment and environment ensure the participation from all spheres of the community. Besides, various trainings for women on honing their entrepreneur skills such as sewing, beauty training etc. have provided additional livelihood opportunities, especially during Covid pandemic and further years to come. In our interventions across sustainable agriculture practices, we organize several trainings and demonstration sessions for farmers through online and offline mode in order to ensure the successful on-ground implementation and maximum adoption of the improved practices. Many of our programmes around plant location are in public-private partnership mode with the participation of representatives from gram panchayats and office of district collectorate so as to ensure their sustained community adoption.

Principle 9- Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

As on March 31, 2022, 19 consumer complaints were pending before the various courts/ consumer forums in India.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A./ Remarks (additional information)

The Company display product information on the product label, as per the relevant and applicable local laws and regulations. Additionally, we provide information related to safe use & handling of the Product and also conduct periodic Product Stewardship programs for the farmers.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

No complaints have been received by the Company under the aforementioned heads for last five years.

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

Yes, Company does carry out these surveys once every two years. Company's customer feedback surveys are conducted once every two years for our 'custom synthesis manufacturing' business and are focused towards technical and infrastructural capability, management systems, cost efficiency, product delivery and sustainability. We have also conducted survey with our end customers for our 'domestic agri-business' too.

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, 2022, 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, 2022, 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 judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the 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
<p>Assessment of carrying values of</p> <p>(i) Goodwill created on business combination; and</p> <p>(ii) Investment in a wholly owned subsidiary</p> <p>(Refer to note 5 and 7(a) in the standalone financial statements)</p> <p>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, 2022 is INR 671 Million and INR 1,489 Million, respectively.</p> <p>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.</p> <p>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, 2022.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • 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.

Key audit matter	How our audit addressed the key audit matter
<p>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.</p>	<ul style="list-style-type: none"> Verifying the adequacy and appropriateness of the disclosures made in the standalone financial statements. <p>Based on our procedures performed above, the management’s assessment of the carrying amount of goodwill and investment is considered appropriate.</p>

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 judgment 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.

Other Matter

13. The standalone financial statements for the year ended March 31, 2021 have been restated pursuant to the requirements of Ind AS 103 'Business Combinations' to give impact of the scheme of arrangement as described in Note 43 of the standalone financial statements and include the financial information of Isagro (Asia) Agrochemicals Private Limited (the transferor Company) for the year ended March 31, 2021, which was audited by other auditors who vide their audit report dated May 10, 2021, issued an unmodified opinion on its financial statements for the said financial year.

Our opinion is not modified in respect of above matter.

Report on other legal and regulatory requirements

14. 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.
15. 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, 2022 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2022 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, 2022 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(iii) to the standalone 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(iii) to the standalone 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.
16. 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: FRN012754N/N500016

Sd/-
Sougata Mukherjee
 Partner

Place: Gurugram
 Date: May 17, 2022

Membership Number 057084
 UDIN: 22057084AJCPZA4467

Annexure A to Independent Auditor's Report

Referred to in paragraph 15(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, 2022

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, 2022 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, 2022, 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: FRN012754N/N500016

Sd/-

Sougata Mukherjee
Partner

Place: Gurugram
Date: May 17, 2022

Membership Number 057084
UDIN: 22057084AJCPZA4467

Annexure B to Independent Auditors' Report

Referred to in paragraph 14 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, 2022

- 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 on to the 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.
- iii. (a) The Company during the year has made investment in one wholly owned subsidiary, seven deposits with 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 | 27.20 |
| Balance outstanding as a balance sheet date in respect of above case - Subsidiary | - |
- (Also refer Note 41(ix) to the standalone financial statements)
- (b) In respect of the aforesaid Investment/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 has repaid the principal and interest amount, as stipulated.
- (d) In respect of the aforesaid 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 loans.
- (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 was 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 Sections 185 and 186 of the Companies Act, 2013 in respect of the loan and investments made. The Company has not provided any guarantees or security to the parties covered under Section 185 and 186 of the Act.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of 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, the Company is generally regular in depositing undisputed statutory dues in respect of Professional Tax and is regular in depositing undisputed statutory dues, including Goods and Service Tax, provident fund, employees' state insurance, income tax, duty of customs, cess and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 33 to the 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, goods and services tax, 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, 2022 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	0.15	0.04	2007-08	Joint Commissioner Guwahati
Kerala Value Added Tax Act, 2003	(excluding interest and penalty)	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
Gujarat Value Added Tax Act, 2003		13.26	-	2014-15	Joint Commissioner, Baroda
West Bengal Value Added Tax Act, 2003		0.25	0.25	2013-14	Taxation Tribunal, Kolkata
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)
		272.60	84.22	2017-18	CIT (Appeals)
		25.70	0.5	2009-10	CIT (Appeals)
		10.21	2.04	2010-11	CIT (Appeals)
		0.11	0.02	2013-14	CIT (Appeals)
		0.05	0.01	2015-16	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
		15.92	-	March 2011 to June 2013	CESTAT, Ahmedabad
		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
Custom Act, 1962	Custom Duty (Excluding interest)	90.82	3.40	2018-19	CESTAT, Ahmedabad
Custom Act, 1962 (received post year-end)	Custom Duty (Including interest and Penalty)	17.66	-	2019-20	Principal Commissioner of Customs, Ahmedabad

- 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)(f) 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, 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 has been considered by us for any bearing on our audit and reporting.
- 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 (Ind AS) 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 are 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: FRN012754N/N500016

Sd/-

Sougata Mukherjee

Partner

Place: Gurugram

Date: May 17, 2022

Membership Number 057084

BALANCE SHEET AS AT MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	4	23,189	20,151
Capital work-in-progress	4	638	2,495
Goodwill	5	671	671
Other intangible assets	5	367	356
Intangible asset under development	6	507	380
Financial assets			
(i) Investments	7(a)	1,811	1,599
(ii) Other financial assets	7(g)	1,795	301
Non-current tax assets	10	130	133
Other non-current assets	9	125	123
Total non-current assets		29,233	26,209
Current assets			
Inventories	8	13,321	10,110
Financial assets			
(i) Investments	7(b)	8,547	8,517
(ii) Trade receivables	7(d)	7,913	6,463
(iii) Cash and cash equivalents	7(e)	3,095	1,028
(iv) Bank balances other than (iii) above	7(f)	10,122	13,185
(v) Loans	7(c)	89	121
(vi) Other financial assets	7(g)	450	457
Contracts assets	7(h)	1,331	1,482
Other current assets	9	2,180	2,076
Total current assets		47,048	43,439
Total assets		76,281	69,648
EQUITY & LIABILITIES			
Equity			
Equity share capital	11	152	152
Other equity	12	60,235	52,708
Total equity		60,387	52,860
Liabilities			
Non current liabilities			
Financial liabilities			
(i) Borrowings	14(a)	1,699	2,574
(ii) Lease Liabilities	14(d)	253	280
(iii) Other financial liabilities	14(c)	209	205
Provisions	15	56	85
Deferred tax liabilities (Net)	16	916	824
Total non current liabilities		3,133	3,968
Current Liabilities			
Financial liabilities			
(i) Borrowings	14(a)	979	705
(ii) Lease Liabilities	14(d)	117	144
(iii) Trade payables	14(b)		
a) total outstanding dues of micro enterprises and small enterprises		227	301
b) total outstanding dues of creditors other than micro enterprises and small enterprises		8,613	7,522
(iv) Other financial liabilities	14(c)	1,835	2,999
Provisions	15	269	447
Current tax liabilities	18	86	65
Other current liabilities	17	635	637
Total current liabilities		12,761	12,820
Total liabilities		15,894	16,788
Total equity and liabilities		76,281	69,648

Notes to accounts

1 to 47

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/N500016Sd/-
Sougata Mukherjee
Partner
Membership Number 057084Place: Gurugram
Date: May 17, 2022

For and on behalf of the Board of Directors

Sd/-
Mayank Singhal
Vice Chairperson & Managing Director
DIN: 00006651
Place: MumbaiSd/-
Manikantan Viswanathan
Chief Financial Officer
Place: MumbaiSd/-
Rajnish Sarna
Joint Managing Director
DIN: 06429468
Place: MumbaiSd/-
Naresh Kapoor
Company Secretary
Place: Mumbai

STATEMENT OF PROFIT & LOSS

FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

Particulars	Notes	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Revenue from operations	19	50,769	43,611
Other income	20	999	1,173
Total income		51,768	44,784
Expenses:			
Cost of materials consumed		27,886	23,598
Purchase of stock in trade		1,719	1,724
Changes in inventories of finished goods, work in progress and stock in trade	21	(1,750)	(1,071)
Employee benefit expense	22	4,480	3,889
Finance cost	26	123	284
Depreciation and amortisation expense	25	1,984	1,720
Other expense	23	7,321	5,623
Total expenses		41,763	35,767
Profit before tax		10,005	9,017
Income tax expense	27		
Current tax		(1,759)	(1,604)
Deferred tax		44	(242)
Income tax of earlier years		(93)	(66)
Total tax expense		(1,808)	(1,912)
Profit for the year		8,197	7,105
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
Remeasurements gains/(losses) on defined benefit plans		9	7
Income tax relating to the above item		(3)	(2)
(ii) Items that will be reclassified to profit or loss			
Effective portion of gains/(losses) on cash flow hedges		124	1,067
Income tax relating to the above item		(43)	(373)
Total comprehensive income for the year		8,284	7,804
Earnings per equity share	29A		
1) Basic (in ₹)		54.03	47.98
2) Diluted (in ₹)		54.03	47.97
Face value per share (in ₹)		1.00	1.00

Notes to accounts

1 to 47

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

 Place: Gurugram
 Date: May 17, 2022

For and on behalf of the Board of Directors

 Sd/-
Mayank Singhal
 Vice Chairperson & Managing Director
 DIN: 00006651
 Place: Mumbai

 Sd/-
Manikantan Viswanathan
 Chief Financial Officer
 Place: Mumbai

 Sd/-
Rajnish Sarna
 Joint Managing Director
 DIN: 06429468
 Place: Mumbai

 Sd/-
Naresh Kapoor
 Company Secretary
 Place: Mumbai

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

a. Equity share capital

Particulars	Notes	As at March 31, 2022		As at March 31, 2021	
		No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period	11	151,718,118	152	138,107,993	138
Changes in equity share capital during the period		-	-	13,610,125	14
Balance at the end of the reporting period		151,718,118	152	151,718,118	152

b. Other equity

Particulars	Notes	Reserves & Surplus				Other Reserves		Total other equity
		Capital reserve	Securities premium reserve	Share option outstanding account	General reserve	Retained earnings	Effective portion of cash flow hedges	
Balance at April 1, 2020		15	2,249	42	1,857	22,060	(419)	25,803
Profit for the year		-	-	-	-	7,105	-	7,105
Other comprehensive income		-	-	-	-	5	694	699
Total comprehensive income for the year		-	-	-	-	7,110	694	7,804
Transactions with owners in their capacity as owners:								
Premium on issue of Equity Shares through ESOP	12 b.	-	14	-	-	-	-	14
Premium on issue of Qualified Institutional Placement (QIP) (net of expenses)	12 c.	-	19,736	-	-	-	-	19,736
Shares issued under ESOP scheme	12 c.	-	-	(11)	-	-	-	(11)
Expense on Employee Stock Option Scheme	13	-	-	(31)	-	-	-	(31)
Dividends paid	13	-	-	-	-	(607)	-	(607)
Balance at March 31, 2021		15	21,999	-	1,857	28,563	275	52,709
Profit for the year		-	-	-	-	8,197	-	8,197
Other comprehensive income	12 e, f	-	-	-	-	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.	-	-	-	-	-	-	-
Shares issued under ESOP scheme	12 c.	-	-	-	-	-	-	-
Expense on Employee Stock Option Scheme	12 c.	-	-	-	-	-	-	-
Dividends paid	13	-	-	-	-	(758)	-	(758)
Balance at March 31, 2022		15	21,999	-	1,857	36,008	356	60,235

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

Place: Gurugram
Date: May 17, 2022

For and on behalf of the Board of Directors

Sd/-
Mayank Singhal
Vice Chairperson & Managing Director
DIN: 00006651
Place: Mumbai

Sd/-
Manikantan Viswanathan
Chief Financial Officer
Place: Mumbai

Sd/-
Rajnish Sarna
Joint Managing Director
DIN: 06429468
Place: Mumbai

Sd/-
Naresh Kapoor
Company Secretary
Place: Mumbai

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Income Tax	10,005	9,017
Adjustments for :-		
Depreciation and amortisation expense	1,984	1,720
Finance costs	123	284
Provision for Bad and Doubtful debts & Advances	187	2
Interest Income on Financial Assets at amortised cost	(647)	(506)
Unwinding of discount on Security Deposits	(10)	(23)
Expense on Employee Stock Option Scheme	-	(31)
(Gain)/Loss on Sale/Retirement of property, plant & equipment (Net)	-	(1)
(Gain)/Loss on sale of Investments (Net)	-	(40)
(Gain)/Loss on financial assets measured at fair value through profit or loss (Net)	(273)	(189)
Unrealised (Gain)/Loss on foreign currency transactions (Net)	488	(311)
Operating Profit before Working Capital changes	11,857	9,922
(Increase) / Decrease in Trade Receivables	(2,060)	(839)
(Increase) / Decrease in Current financial assets - Loans	71	38
(Increase) / Decrease in Current Contract Assets	152	(460)
(Increase) / Decrease in Other current financial assets	(14)	335
(Increase) / Decrease in Other non-current financial assets	(14)	11
(Increase) / Decrease in Other current assets	(124)	(512)
(Increase) / Decrease in Other non-current assets	12	46
(Increase) / Decrease in Other bank balances	(1)	0
(Increase)/Decrease in Inventories	(3,211)	(2,665)
Increase / (Decrease) in Current Provisions and Trade Payables	903	2,337
Increase / (Decrease) in Non-current Provisions	(29)	(29)
Increase / (Decrease) in Other current financial liabilities	(943)	1,001
Increase / (Decrease) in Other non-current financial liabilities	(22)	8
Increase / (Decrease) in Other current liabilities	(2)	103
Cash generated from Operations before tax	6,575	9,296
Income Taxes paid	(1,721)	(1,575)
Net cash inflow (outflow) from Operating Activities	4,854	7,721
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payments for purchase of property, plant & equipment including Capital Work in Progress, Intangible Assets and Capital Advances	(3,358)	(4,390)
Proceeds from sale of property, plant & equipment	3	15
(Purchase)/ refund of Investment in Subsidiary	(10)	(0)
Purchase of Current Investments	-	(10,938)
Sale of Current Investments	21	3,248
Fixed Deposits with remaining maturity of more than 12 months	(1,397)	-
Fixed Deposits having more than 3 original maturity and less than 12 remaining maturity	3,034	(13,142)
Interest Received	666	506
Net cash used in Investing Activities	(1,041)	(24,701)
Net cash inflow (outflow) from Operating and Investing Activities	3,813	(16,980)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Equity Share under ESOP and Qualified Institutional placement	-	14
Premium on issue of equity shares under ESOP scheme (net of expenses)	-	3
Premium on issue from Qualified Institutional placement (net of expenses)	-	19,736
Short Term Borrowings (Net)	-	(1,083)
Borrowings -Repayments	(720)	(1,849)
Borrowings - Term Loan	-	1,145
Principal elements of Deferred lease payments	(188)	(223)
Interest paid	(80)	(248)
Dividends paid	(758)	(607)
Net Cash inflow (outflow) from Financing Activities	(1,746)	16,888
Net Cash inflow (outflow) from Operating, Investing & Financing Activities	2,067	(92)
Net increase (decrease) in Cash & Cash equivalents	2,067	(92)
Opening balance of Cash & Cash equivalents	1,028	1,120
Closing balance of Cash & Cash equivalents	3,095	1,028
Note: Cash and cash equivalents included in the Cash Flow Statement comprise of the following (Refer Note No. 7(e)):-		
i) Cash on Hand	0	0
ii) Balance with Banks :		
-In Current Accounts	1,292	510
-In Fixed Deposits	1,803	518
Total	3,095	1,028

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

Place: Gurugram
Date: May 17, 2022

For and on behalf of the Board of Directors

Sd/-
Mayank Singhal
Vice Chairperson & Managing Director
DIN: 00006651
Place: Mumbai

Sd/-
Manikantan Viswanathan
Chief Financial Officer
Place: Mumbai

Sd/-
Rajnish Sarna
Joint Managing Director
DIN: 06429468
Place: Mumbai

Sd/-
Naresh Kapoor
Company Secretary
Place: Mumbai

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount 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 significant 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 17, 2022.

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 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. 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.

d) Reclassifications consequent to amendments to Schedule III

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on 24 March 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from 1 April 2021.

Consequent to above, the Company has changed the classification/presentation of (i) current maturities of long-term borrowings (ii) security deposits, in the current year.

The current maturities of long-term borrowings (including interest accrued) has now been included in the “Current borrowings” line item. Previously, current maturities of long-term borrowings and interest accrued were included in ‘other financial liabilities’ line item.

Further, security deposits (which meet the definition of a financial asset as per Ind AS 32) have been included in ‘other financial assets’ line item. Previously, these deposits were included in ‘loans’ line item.

The Company has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1. The impact of such classifications is summarised below:

Balance sheet (Extract)	March 31, 2021 (as previously reported)	Increase / (Decrease)	March 31, 2021 (reinstated)
Current Borrowings	-	705	705
Loans (non- current)	57	(57)	-
Other financial assets (non -current)	244	57	301
Loans (current)	150	(29)	121
Other financial assets (current)	428	29	457
Other financial liabilities - Current	3,848	(849)	2,999
Other financial liabilities - Non Current	485	(280)	205
Lease liabilities (Non-Current)	-	280	280
Lease liabilities (Current)	-	144	144

e) 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.

f) 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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

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.

g) 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:

- Measurement of defined benefit obligations;
- Recognition of deferred tax assets & minimum alternative tax credit entitlement;
- Useful life and residual value of Property, plant and equipment and intangible assets;
- Impairment test of financial and non-financial assets including recoverability of expenditure on internally-generated intangible assets;
- Recognition and measurement of provisions and contingencies.
- Estimate of Sales Return.
- Adequacy of provision for bad/doubtful debts.
- Adequacy of Inventory provisioning.

h) The Company recognises revenue over the period of time for contracts wherein the Company's performance for the products does not create an asset with alternative use to the Company and the Company 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.

The Company also recognises Provision for discounts and sales returns based on the current and expected operating environment, Sales returns variability, expected achievement of targets against various ongoing schemes floated.

3. Significant Accounting Policies

a) Property, plant and equipment

i) Recognition and measurement

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

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.

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

- 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 Company has estimated the useful lives different from the lives prescribed in schedule II of Companies Act, 2013, in the following cases:

- Plant and Equipment (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 shorter.

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).

b) Intangible assets

i) Recognition and measurement

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

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax 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 to sell. 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.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

In respect of assets 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 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 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 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 is not classified in any of the above categories are subsequently fair valued through profit or loss.

iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

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, except for the effective portion of cash flow hedges, which is recorded in the Company's hedging reserve as a component of equity through OCI and later reclassified to profit and loss when the hedge item affects profit and loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability. The ineffective portion of such cash flow hedges is recorded in the statement of 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 estimated 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 includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing 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 Cenvat / Goods and service tax credit.

Cost of Work in progress and Finished Goods is determined on weighted average basis considering direct material cost and

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

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 benefits 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. For remaining contracts, revenue is recognised when the significant risk and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods to the degree usually associated with the ownership, and the amount of revenue can be measured reliably, regardless of when the payment is being made.

Revenue is measured at the fair value of the consideration received or receivable. 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 and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. A refund liability (included in other current liabilities) is recognized for expected returns from the customer 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.

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.

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 an employee renders the related service.

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 estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The company provides for its gratuity liability based on actuarial valuation of the gratuity liability as at the Balance Sheet date, based

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

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.

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 immediately 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.

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.

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

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 related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

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.

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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

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 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 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, 2022

(All amount in ₹ million, unless otherwise stated)

4 PROPERTY, PLANT AND EQUIPMENT

	Leasehold land	Freehold land	Buildings	Plant and machinery	Furniture and fixtures	Office equipment's	Vehicles	Total
Gross carrying amount								
As at beginning of April 01, 2020	589	51	5,382	14,474	182	174	624	21,476
Addition - Right of Use	-	-	18	-	-	27	100	145
Additions	0	-	1,057	3,284	20	18	1	4,380
Disposals	-	-	-	(14)	(2)	(1)	(0)	(17)
As at March 31, 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 including Right of Use	-	-	(140)	-	-	(3)	(52)	(195)
As at March 31, 2022	589	67	7,626	21,244	210	324	753	30,813
Accumulated depreciation								
As at beginning of April 01, 2020	14	-	597	3,328	55	90	126	4,210
Depreciation charge during the year	7	-	205	1,160	19	26	44	1,461
Amortisation of ROU	-	-	68	-	-	13	84	165
Disposals	-	-	-	(0)	(2)	(1)	(0)	(3)
As at March 31, 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
Net carrying amount								
As at March 31, 2021	568	51	5,587	13,256	128	90	471	20,151
As at March 31, 2022	557	67	6,516	15,377	118	159	395	23,189

- Depreciation for the year includes depreciation amounting to ₹ 153 (March 31, 2021 ₹ 132) on assets used for Research & Development. During the year Company incurred ₹ 185 (March 31, 2021 ₹ 235) towards capital expenditure for Research & Development (Refer Note 28).
- Refer note 40 for information on property, plant and equipment pledged as security by the Company.
- Refer note 32 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- Amount recognised above related to Right-of-use assets.

	As at March 31, 2022	As at March 31, 2021
Buildings	200	166
Office Equipment's	44	27
Vehicles	112	205
Leasehold land	559	570
Total	915	968

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

e. Capital work in progress ageing schedule as on March 31, 2022

1) Ageing of Capital work in progress

Capital work in progress	Amount in capital work in progress for a period of				Total
	Less than 1 years	1-2 years	2-3 years	More than 3 years	
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

Projects in Progress (Completion overdue)	To be completed in				Total
	Less than 1 years	1-2 years	2-3 years	More than 3 years	
(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

f. Capital work in progress ageing schedule as on March 31, 2021

1) Ageing of Capital work in progress

Capital work in progress	Amount in capital work in progress for a period of				Total
	Less than 1 years	1-2 years	2-3 years	More than 3 years	
Projects in Progress	1,499	874	120	2	2,495
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				Total
	Less than 1 years	1-2 years	2-3 years	More than 3 years	
(i) Projects in Progress:					
Udaipur Plant - Existing R&D Centre - Replacement/Upgradation	109	-	-	-	109
Udaipur Plant - Existing Manufacturing Line - Replacement/Upgradation	79	-	-	-	79
Panoli Plant - Existing Manufacturing Line - Replacement/Upgradation	478	-	-	-	478
Panoli Plant- Existing LAB - Replacement/Upgradation	20	-	-	-	20
Panoli Plant - Setting up a new manufacturing line	49	-	-	-	49
Jambusar Plant - Existing Manufacturing Line - Replacement/Upgradation	286	-	-	-	286
Jambusar Plant - Setting up a new manufacturing line	1,410	-	-	-	1,410
Others	2	-	-	-	2
(ii) Projects temporarily suspended	-	-	-	-	-
Total	2,433	-	-	-	2,433

Capital Work in progress mainly comprises of ongoing projects in various plants constituting plant and machinery and Building.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

5 INTANGIBLE ASSETS

	OTHER INTANGIBLE ASSETS			Total other than Goodwill	Goodwill *	Total
	Computer Software	Product Development	Supply Agreement			
Gross carrying amount						
As at beginning of April 01, 2020	157	29	324	510	671	1,181
Additions	42	-	-	42	-	42
As at March 31, 2021	199	29	324	552	671	1,223
Additions	35	82	-	117	-	117
As at March 31, 2022	234	111	324	669	671	1,340
Accumulated amortisation						
As at beginning of April 01, 2020	76	9	16	101	-	101
Amortisation charge during the year	25	5	65	95	-	95
As at March 31, 2021	101	14	81	196	-	196
Amortisation charge during the year	31	11	64	106	-	106
As at March 31, 2022	132	25	145	302	-	302
Net Carrying Amount						
As at March 31, 2021	98	15	243	356	671	1,027
As at March 31, 2022	102	86	179	367	671	1,038

* Refer Note 45

6 INTANGIBLE ASSETS UNDER DEVELOPMENT

	Intangible Assets under Development
As at beginning of April 01, 2020	336
Additions	44
Disposal/Adjustments	-
Amount recognised under Intangible assets	-
As at March 31, 2021	380
Additions	209
Disposal/Adjustments	-
Amount recognised under Intangible assets	(82)
As at March 31, 2022	507

The value-in-use of intangible assets under development is higher than the carrying amount.

a. 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 years	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 years	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 FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

b. Intangible Ageing Schedule as on March 31, 2021

1) Ageing of Intangible assets under development

IA under development	Amount in capital work in progress for a period of				Total
	Less than 1 years	1-2 years	2-3 years	More than 3 years	
Projects in Progress	67	87	75	151	380
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 years	1-2 years	2-3 years	More than 3 years	
Product development projects (Completion overdue)	72	-	40	-	112
Total	72	-	40	-	112

7 FINANCIAL ASSETS

7(a) NON-CURRENT INVESTMENTS

	As at March 31, 2022		As at March 31, 2021	
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	4		4	
360,000 (March 31, 2021 : 360,000) Equity Shares of ₹ 10 each fully paid				
b) PI Life Science Research Limited	104		104	
1,497,325 (March 31, 2021 : 1,497,325) Equity Shares of ₹10 each fully paid				
c) Jivagro Limited (Refer Note 45)	1,489		1,489	
148,829,030 (March 31, 2021 :148,829,030) Equity Shares of ₹10 each fully paid				
d) PI Japan Company Limited	2		2	
100 (March 31, 2021 : 100) Equity Shares of ₹18,600 each fully paid - (JPY 50,000 each)				
e) PI Enzachem Private Limited	0		0	
10,000 (March 31, 2021 :10,000) Equity Shares of ₹10 each fully paid				
f) PI Fermachem Private Limited	0		0	
10,000 (March 31, 2021 :10,000) Equity Shares of ₹10 each fully paid				
g) PI Health Science limited	10		-	
1,000,000 (March 31, 2021 :NIL) Equity Shares of ₹10 each fully paid				
		1,609		1,599
TOTAL		1,609		1,599
Investment in Deposits with Financial Institution				
Unquoted Deposits				
Deposit with Financial Institution having remaining maturity of more than 12 months		202		-
TOTAL		1,811		1,599
Aggregate amount of un-quoted investments		1,811		1,599
Aggregate amount of impairment in the value of investments		-		-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

7(b) CURRENT INVESTMENTS

	As at March 31, 2022		As at March 31, 2021	
Investment in mutual funds at FVTPL (Refer Note 42)				
Quoted				
a) Axis Liquid Fund-Direct Plan- Growth	222		215	
93,938 (March 31, 2021 : 93,938) Units				
b) Nippon India Liquid Fund-Direct Plan- Growth	693		669	
133,007 (March 31, 2021 : 133,007) Units				
c) HDFC Ultra Short Term Fund-Direct Plan- Growth	2,145		2,064	
172,861,190 (March 31, 2021 : 172,861,190) Units				
d) SBI Magnum Ultra Short Duration Fund-Direct Plan-Growth	2,133		2,055	
435,559 (March 31, 2021 : 435,559) Units				
e) Aditya Birla SL Money Manager Fund-Direct Plan- Growth	1,071		1,029	
3,581,964 (March 31, 2021 : 3,581,964) Units				
f) Kotak Money Market Fund(G)-Direct Plan	1,067		1,027	
294,745 (March 31, 2021 : 294,745) Units				
g) SBI Short Term Debt Fund - Direct Plan - Growth	-		21	
Nil (March 31, 2021 : 4,373) Units				
		7,331		7,080
TOTAL		7,331		7,080
Investment in Deposits with Financial Institution				
Unquoted Deposits				
Deposit with Financial Institution having a remaining maturity of less than 12 months		1,216		1,437
TOTAL		8,547		8,517
Quoted				
Aggregate amount of quoted investments and market value thereof		7,331		7,080
Aggregate amount of impairment in the value of investments		-		-
Unquoted deposits				
Aggregate amount of unquoted investments		1,216		1,437
Aggregate amount of impairment in the value of investments		-		-

7(c) LOANS

	Non- Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good unless stated otherwise				
Loans and advances to related parties (Refer Note 35)	-	-	65	58
Other loans and advances				
Employee advances				
Considered good	-	-	-	2
Doubtful	-	-	5	3
Less: Allowance for doubtful employee advances	-	-	(5)	(3)
Other miscellaneous advances*	-	-	24	61
TOTAL	-	-	89	121

* Includes amount due from Related Parties amounting to ₹ Nil (March 31, 2021 ₹ 5).

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

Break up of security details

	As at March 31, 2022	As at March 31, 2021
Loan considered good- Secured	-	-
Loans considered good- Unsecured	89	121
Loans which have significant increase in credit risk	-	-
Loans- credit impaired	5	3
Total Loans	94	124
Less: Loss Allowance	(5)	(3)
Total	89	121

7(d) TRADE RECEIVABLES

	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good unless stated otherwise		
Trade receivables	8,200	6,883
Receivables from related parties (Refer note 35)	309	10
Less: Allowance for doubtful debts	(596)	(430)
TOTAL	7,913	6,463
Current portion	7,913	6,463
Non-current portion	-	-
Break up of security details		
	As at March 31, 2022	As at March 31, 2021
Trade receivables considered good- Secured	-	-
Trade receivables considered good- Unsecured*	7,913	6,463
Trade receivables which have significant increase in credit risk	-	-
Trade receivables- credit impaired	596	430
Less: Allowance for doubtful debts	(596)	(430)
TOTAL	7,913	6,463

Refer note 40 for information on trade receivables pledged as security by the Company.

* Trade Receivable include amount due from Related Parties amounting to ₹ 294 (March 31, 2021 ₹ 10)

Trade Receivable ageing as at March 31, 2022

Particulars	Outstanding for following periods from Due date							Total
	Unbilled	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	-	5,684	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		(33)	(60)	(20)	(61)	(103)	(319)	(596)
Net Total		5,651	2,106	121	35	-	-	7,913

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

Trade Receivable ageing as at March 31, 2021

Particulars	Outstanding for following periods from Due date							Total
	Unbilled	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	-	4,875	1,467	91	103	54	37	6,627
Which have significant increase in Credit Risk	-	-	-	-	-	-	-	-
Credit Impaired	-	-	-	-	-	-	-	-
Disputed trade receivables								
Considered Good	-	-	-	-	-	-	-	-
Which have significant increase in Credit Risk	-	-	-	-	-	-	-	-
Credit Impaired	-	-	0	-	13	66	187	266
Total	-	4,875	1,467	91	116	120	224	6,893
Less Allowance for doubtful debts		(33)	(7)	(11)	(35)	(120)	(224)	(430)
Net Total		4,842	1,460	80	81	-	-	6,463

7(e) CASH AND CASH EQUIVALENTS

	As at March 31, 2022	As at March 31, 2021
i. Cash & Cash Equivalents		
<i>Balance with banks</i>		
In Current Accounts	538	160
In EEFC account	754	350
<i>Cash on hand</i>	0	0
<i>Deposits with original maturity of less than 3 months</i>	1,803	518
TOTAL	3,095	1,028

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, 2022	As at March 31, 2021
Fixed deposits with bank	10,108	13,142
In unclaimed dividend accounts *	5	43
Unspent Corporate Social Responsibility**	9	-
TOTAL	10,122	13,185

* Not available for use by the Company as they represent corresponding unclaimed dividend liabilities.

** Amount to be spent on ongoing projects.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

7(g) OTHERS FINANCIAL ASSETS

	Non- Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<i>Unsecured, considered good unless stated otherwise</i>				
Security deposits	47	57	30	29
<i>Considered good unless stated otherwise</i>				
Interest and other charges recoverable from customers				
-Considered good	-	-	1	36
-Doubtful	-	-	117	101
Less: Allowance for doubtful debts	-	-	(117)	(101)
Deposits lodged with Excise & Sales Tax department	57	32	-	-
Deposit accounts held as margin money	21	20	-	-
Deposits with original more than 12 months remaining maturity	1,397	-	-	-
Insurance Claims Recoverable	-	-	103	100
Derivative financial instruments - foreign exchange forward contracts	273	192	316	292
TOTAL	1,795	301	450	457

7(h) CONTRACTS ASSETS (CURRENT)

	As at March 31, 2022	As at March 31, 2021
Contract assets*	1,331	1,482
TOTAL	1,331	1,482

* Recoverable from customer towards goods manufactured exclusively for customers (Refer note 3(h)).

8 INVENTORIES

	As at March 31, 2022	As at March 31, 2021
Raw materials {includes stock-in-transit ₹ 1,199 (March 31, 2021 : ₹ 1,483)}	8,127	6,764
Work in progress	3,063	994
Finished goods *{includes stock-in-transit ₹ 39 (March 31, 2021 : ₹ 21)}	1,010	1,416
Stock in trade *{includes stock-in-transit ₹ Nil (March 31, 2021 : ₹ Nil)}	442	355
Stores & spares {includes stock-in-transit ₹ Nil (March 31, 2021 : ₹ 5)}	679	581
TOTAL	13,321	10,110

* The cost of inventories recognised as an expense on account of provision of obsolete/ slow and non moving inventories amounting to ₹ 101 (March 31, 2021: ₹ 79)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

9 OTHER ASSETS

	Non- Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<i>Considered good unless stated otherwise</i>				
Capital advances				
Considered good	75	81	-	-
Doubtful	1	2	-	-
Less: Allowance for doubtful advances	(1)	(2)	-	-
Advances to vendors				
Considered good	-	-	704	377
Doubtful	-	-	30	32
Less: Allowance for doubtful advances	-	-	(30)	(32)
Balance with Government Authorities**	-	-	690	1,018
Prepayments	5	4	113	102
Export incentive receivables	-	-	506	411
Right to recover returned goods	-	-	167	168
Other miscellaneous advances*	45	38	-	-
TOTAL	125	123	2,180	2,076

* Other miscellaneous advances includes amount of ₹ 40 (March 31, 2021 ₹ 34) deposited with Sales Tax and Custom Authorities under protest.

** Balance with Central Excise Authorities includes amount of ₹ 21 (March 31, 2021 ₹ 21) deposited with Excise Duty authorities under protest.

10 NON - CURRENT TAX ASSETS

	As at March 31, 2022	As at March 31, 2021
Advance income tax (Net of provision for income tax ₹ 5,484 {March 31, 2021 ₹ 5,481})	130	133
TOTAL	130	133

11 EQUITY SHARE CAPITAL

	As at March 31, 2022	As at March 31, 2021
Authorised Shares*		
888,000,000 (March 31, 2021 : 723,000,000) Equity Shares of ₹1 each (March 31, 2021 : ₹ 1 each)	888	723
	888	723
Issued Shares		
151,894,693 (March 31, 2021 : 151,894,693) Equity Shares of ₹1 each (March 31, 2021 : ₹ 1 each)	152	152
	152	152
Subscribed & Fully Paid up Shares		
151,718,118 (March 31, 2021 : 151,718,118) Equity Shares of ₹1 each (March 31, 2021 : ₹ 1 each)	152	152
Total subscribed and fully paid up share capital	152	152

* Pursuant to the merger of Isagro (Asia) Agrochemicals Private Limited into the Company, the Authorised share capital of the Company has increased to give effect to the merger. The Company has made necessary filing with Registrar of Companies.

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, 2021 ₹ 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, 2022, the Company has issued Nil equity shares of ₹ 1 each (March 31, 2021 4,683 equity shares of ₹ 1 each), as per exercise price to PII ESOP Trust, set up to administer Employee Stock Option Plan. Out of total equity shares issued to the

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

Trust 33,442 equity shares of face value of ₹ 1 each (March 31, 2021 64,277 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, 2022, 55,821 equity shares of face value of ₹ 1 per share (March 31, 2021 89,263 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	
	2021-22	2020-21	2021-22	2020-21
Share outstanding at beginning of period	151,894,693	138,284,568	152	138
Shares issued under Qualified Institutional Placement (Refer note 42)	-	13,605,442	-	14
Shares issued under employee stock option scheme	-	4,683	-	0
Share outstanding at end of period	151,894,693	151,894,693	152	152

Subscribed & paid up

Equity Shares

	Equity Share (No. of Shares)		Value of Equity Shares	
	2021-22	2020-21	2021-22	2020-21
Share outstanding at beginning of period	151,718,118	138,107,993	152	138
Shares issued under Qualified Institutional Placement (Refer note 42)	-	13,605,442	-	14
Shares issued under employee stock option scheme	-	4,683	-	0
Share outstanding at end of period	151,718,118	151,718,118	152	152

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	2021-22		2020-21	
	No of Shares	% of Holding	No of Shares	% of Holding
Mr. Salil Singhal	8,554,857	5.64	8,554,857	5.64
Ms. Madhu Singhal	21,560,500	14.21	21,560,500	14.21
Mr. Mayank Singhal	32,028,510	21.11	32,028,510	21.11
Ms. Pooja Singhal	8,665,550	5.71	8,665,550	5.71

Details of shareholding by promoters

Name of Promoters	As on March 31, 2022			As on March 31, 2021		
	Number of Shares	Percentage total number of shares	Percentage of change during the year	Number of Shares	Percentage total number of shares	Percentage of change during the year
Mr. Mayank Singhal	32,028,510	21.11	-	32,028,510	21.11	2.08
Ms. Madhu Singhal	21,560,500	14.21	-	21,560,500	14.21	1.40
Ms. Pooja Singhal	8,665,550	5.71	-	8,665,550	5.71	0.56
Mr. Salil Singhal	8,554,857	5.64	-	8,554,857	5.64	0.55
Ms. Shefali Khushalani	111,057	0.07	-	111,057	0.07	0.01
Mr. Salil Singhal (Holding as a trustee in SVVK Family Benefit Trust)	20	0.00	-	20	0.00	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

12 OTHER EQUITY

	As at March 31, 2022		As at March 31, 2021	
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		2,249	
Add: Premium on issue of Qualified Institutional Placement (QIP) (refer note 42)				
	-		19,986	
Less: Share issue expenses on Qualified Institutional Placement (QIP) (refer note 42)				
	-		(250)	
Add: Premium on issue of equity shares through ESOP				
	-	21,999	14	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. Share option outstanding account				
Balance at the beginning of the financial year				
	-		42	
Less: Expense on employee stock option scheme				
	-		(31)	
Less: Shares issued under employee stock option scheme				
	-	-	(11)	-
Represents the liability arising out of options issued to employees under Employee stock option scheme until the shares are issued (Refer Note 31).				
d. General reserve		1,857		1,857
e. Surplus in statement of profit & loss				
Balance at the beginning of the financial year				
	28,563		22,029	
On account of Merger (Refer note 43)				
	-		31	
Addition during the financial year				
	8,197		7,105	
Add: Remeasurement gain / (loss) on defined benefit plans through OCI				
	6		5	
Less: Interim dividend (refer note 13)				
	(455)		(455)	
Less: Final dividend (refer note 13)				
	(303)	36,008	(152)	28,563
Items of other comprehensive income				
f. Cash flow hedge reserve				
Balance at the beginning of the financial year				
	275		(419)	
Add: Other comprehensive income for the financial year				
	81	356	694	275
The Company uses hedging instruments as part of its management of foreign currency risk associated with its highly probable forecast sale. For hedging foreign currency risk, the Company uses foreign currency forward contracts which is designated as cash flow hedges. To the extent these hedges are effective; the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to profit or loss when the hedged item (sales) affects profit or loss.				
Total		60,235		52,708

13 DISTRIBUTION MADE AND PROPOSED

	As at March 31, 2022	As at March 31, 2021
A Dividends declared and paid:		
Final dividend (March 31, 2022 pertains to financial year 2020-21 and March 31, 2021 pertains to financial year 2019-20)		
	303	152
Interim dividend (March 31, 2022 pertains to financial year 2021-22 and March 31, 2021 pertains to financial year 2020-21)		
	455	455
Total dividends	758	607
B Dividends not recognised at the end of the reporting period		
In addition to the above dividends, subsequent to the year end the Board of Directors have recommended a final dividend of ₹ 3 per fully paid equity share (March 31, 2021 ₹ 2).		
	455	303
This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.		

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

14 FINANCIAL LIABILITIES

14(a) BORROWINGS

	Non- Current		Current*	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Secured				
Term Loans - From Banks				
Foreign Currency Loans from Banks at amortised cost	2,678	3,279	979	705
Less Current maturities of Foreign Currency Loans from Banks at amortised cost	(970)	(701)	-	-
Less: Interest accrued but not due on borrowings	(9)	(4)	-	-
TOTAL	1,699	2,574	979	705

* Includes Interest accrued but not due on borrowings

a. Foreign currency loans includes:

External commercial borrowings (ECB) from HSBC Bank, Singapore amounting to USD 35.36 MN (March 31, 2021 USD 45.0 MN) carrying interest rate of 3 months LIBOR plus 1.25% is outstanding as on March 31, 2022. The balance borrowing from HSBC Bank, Singapore is repayable in 11 (Eleven) {(March 31, 2021 14 (Fourteen))} equal quarterly instalments of USD 3.21 MN (March 31, 2021 USD 3.21 MN) each. The maturity date of the loan is October 10, 2024. The loan is 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). The loan was taken for the purpose of capital expenditure for two multi purpose plant designated as MPP 10 and MPP 11 at sterling SEZ in Jambusar, District, Gujarat. (refer note 40)

b. As on the Balance sheet date there is no default in repayment of loans and interest.

c. Changes in liabilities arising from financing activities

	As at March 31, 2022	As at March 31, 2021
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)	(705)
Non-current portion of long term financial borrowings	(1,699)	(2,574)
Interest accrued but not due on borrowings	-	-
TOTAL	(2,678)	(3,279)
	Amount	Amount
Balance as at the beginning of the year	(3,279)	(4,103)
Foreign exchange adjustments	(110)	125
Interest expense	(54)	(183)
Interest paid	49	190
Amortisation of Prepaid Processing Charges on Term Loan	(4)	(11)
Loan taken	-	(1,145)
Re-payments	720	1,848
Balance as at the end of the year	(2,678)	(3,279)

d. Loan covenants

Under the terms of the major borrowing facilities, the group is required to comply with the following financial covenants :

- the Debt service coverage ratio (DSCR) must be higher than 2. [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)]
- Fixed assets coverage ratio (FACR) must be higher than 1.25 [Fixed assets coverage ratio = (Hypothecated Movable Fixed Assets (net book value) + Immovable assets mortgaged (book value))/ (secured loan outstanding)]
- External Debt/EBIDTA to be maintained below 2.5. [Total debt or borrowings/ EBIDTA]
- External gearing to be maintained below 2.[Total debt or borrowings /Tangible net worth]

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

The Company complied with these ratios throughout the reporting period. As at March 31, 2022 Debt service coverage ratio was 14.25 (March 31, 2021 4.36), Fixed assets coverage ratio was 5.43 (March 31, 2021 4.94), External Debt/EBIDTA was 0.25 (March 31, 2021 at 0.34) and external gearing ratio was 0.05 (March 31, 2021 at 0.07).

- e. There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.
- f. 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.
- g. As on the Balance sheet date there is no default in repayment of loans and interest.
- h. The Company has borrowings from banks on the basis of security of current assets. The Company has complied with the requirement of filing of monthly/ quarterly returns/statements of current assets with the banks, as applicable, and these returns were in agreement with the books of accounts for the year ended March 31, 2022.

14(b) TRADE PAYABLES

	As at March 31, 2022	As at March 31, 2021
Trade payables		
-Due to micro and small enterprises (Refer Note 36)	227	301
-Other trade payables*	8,613	7,522
TOTAL	8,840	7,823

* Other trade payable includes amount due to related parties amounting to ₹ 127 (March 31, 2021 ₹ 45)

Trade Payable ageing as on March 31, 2022

Particulars	Outstanding for following periods from Due Date						Total
	Unbilled	Not Due	Less than 1 years	1-2 years	2-3 years	More than 3 Years	
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

Trade Payable ageing as on March 31, 2021

Particulars	Outstanding for following periods from Due Date						Total
	Unbilled	Not Due	Less than 1 years	1-2 years	2-3 years	More than 3 Years	
Undisputed trade payables							
Micro enterprises and small enterprises	-	192	109	-	-	-	301
Others	-	6,046	1,468	2	3	3	7,522
Disputed trade payables							
Micro enterprises and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
TOTAL	-	6,238	1,577	2	3	3	7,823

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

14(c) OTHER FINANCIAL LIABILITIES

	Non- Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Employee payables *	-	-	553	766
Security deposits from dealers	206	203	-	-
Security deposits from contractors	3	2	1	2
Unclaimed dividends	-	-	5	43
Unspent CSR	-	-	9	-
Creditors for capital purchases	-	-	311	485
Other payable **	-	-	956	1,703
TOTAL	209	205	1,835	2,999

* This includes due to Directors amounting to ₹ 107 (March 31, 2021 ₹166)

** This includes due to non-executive/ independent Directors and to related party amounting to ₹ 50 (March 31, 2021 : ₹ 761)

14(d) Lease Liabilities

	Non- Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Deferred Lease Liabilities	253	280	117	144
TOTAL	253	280	117	144

a Changes in liabilities arising from financing activities- Deferred lease liabilities :-

	As at March 31, 2022	As at March 31, 2021
Balance as at the beginning of the year	424	459
Interest expenses	38	43
Addition- lease liabilities	219	145
Deletion - lease liabilities	(123)	-
Lease rental paid	(188)	(223)
Balance as at the end of the year	370	424

15 PROVISIONS

	Non- Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits				
Long term compensated absences	-	-	137	181
Gratuity (refer note 30)	56	85	-	2
	56	85	137	183
Provisions for legal claims				
	-	-	132	264
	-	-	132	264
	56	85	269	447

(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 ₹ 137 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, 2022	As at March 31, 2021
Leave obligations not expected to be settled with in next 12 months	137	125

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

(ii) Information about provisions for legal claims

- (a) Government of Rajasthan issued a notification resulting into an excise liability of ₹ 4 (March 31, 2021: ₹ 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, 2022 provision for excise duty is Rs. 128 (March 31, 2021 Rs.128) . Case is pending before Tribunal of Excise & Customs, Ahmedabad.
- (c) An objection was raised by the custom department on classification of one of the imported raw materials resulting in demand of differential custom duty. The Company filed an appeal against the order and is clearing the goods after furnishing of bank guarantee for differential duty against each import of such raw material. As on March 31, 2022 total differential custom duty demand is Nil (March 31, 2021: ₹ 132). During the year, the case has been decided in favour of the Company.

(iii) Movement in other provisions

	Legal claims
As at 1 April 2020	260
Provisions made during the year	4
As at 31 March 2021	264
Provisions made during the year	-
Provision reversed during the year	(132)
As at March 31, 2022	132

16 DEFERRED TAX (ASSETS) / LIABILITIES

The balance comprises temporary differences attributable to:	As at March 31, 2022	As at March 31, 2021
Deferred tax liabilities		
Plant, property and equipment	2,447	2,053
Other comprehensive income items		
- Effective portion on cash flow hedges	180	137
Unrealised gain on mutual fund	161	67
Right to use assets	124	140
A	2,912	2,397
Deferred tax assets		
Provision for employee benefits	(48)	(63)
Intangible assets	(19)	14
Other provisions	(18)	(59)
Other financial liabilities	(7)	(6)
Trade receivables	(208)	(149)
Deferred lease liabilities	(129)	(148)
Other comprehensive income items		
- Remeasurements on defined benefit plans	(22)	(25)
Others	(31)	(59)
Minimum alternate tax (MAT) credit entitlement	(1,514)	(1,078)
B	(1,996)	(1,573)
Net deferred tax (assets)/ liabilities	916	824
Total	A+B	

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

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					
- 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	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
Deferred lease liabilities	148	(19)	-	-	129
Other comprehensive income items					
- Remeasurements on defined benefit plans	25	-	(3)	-	22
Others	59	(44)	-	16	31
Minimum 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

Movement in deferred tax:	As at March 31, 2020	Recognized in P&L	Recognized in OCI	Other Adjustments**	As at March 31, 2021
Deferred tax liabilities					
Plant, property and equipment	1,470	583	-	-	2,053
Intangible assets	14	-	-	-	14
Other comprehensive income items					
- Remeasurements on defined benefit plans	-	-	-	-	-
- Effective portion on cash flow hedges	(236)	-	373	-	137
Unrealised gain	-	67	-	-	67
Right to use assets	-	140	-	-	140
Sub- Total (a)	1,248	790	373	-	2,411
Deferred tax assets					
Provision for employee benefits	53	10	-	-	63
Other provisions	64	(5)	-	-	59
Other financial liabilities	7	(1)	-	-	6
Trade receivables	143	6	-	-	149
Deferred lease liabilities	-	148	-	-	148
Other comprehensive income items					
- Remeasurements on defined benefit plans	25	-	0	-	25
- Effective portion on cash flow hedges	-	-	-	-	-
Others	35	24	-	-	59
Minimum alternate tax (MAT) credit entitlement	778	366	-	(66)	1,078
Sub- Total (b)	1,105	548	0	(66)	1,587
Net deferred tax (assets)/ liabilities (a)-(b)	143	242	373	66	824

*Actualisation of MAT credit utilisation for the FY 2021-22 on the basis of the return filed included under income tax of earlier years.

**Actualisation of MAT credit utilisation for the FY 2020-21 on the basis of the return filed included under income tax of earlier years.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

17 OTHER CURRENT LIABILITIES

	As at March 31, 2022	As at March 31, 2021
Advance from customers	247	218
Refund/ Return liabilities *	300	307
Statutory dues payable	88	111
TOTAL	635	637

* 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 ₹ 300 (March 31, 2021: ₹ 307). The Company has also recognised a right to recover the returned goods ₹ 167 (March 31, 2021: ₹ 168). 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, 2022	As at March 31, 2021
Provision for Income Tax (Net of Advance Income Tax ₹ 6,479 {March 31, 2021 ₹ 4,739})	86	65
TOTAL	86	65

19 REVENUE FROM OPERATIONS

	As at March 31, 2022	As at March 31, 2021
Revenue from contracts with customers:		
a) Sale of products	50,164	42,930
b) Sale of services	137	131
Other operating revenues:		
Scrap sales	99	114
Export incentives	369	436
Revenue From Operations (Net)	50,769	43,611

	As at March 31, 2022	As at March 31, 2021
Reconciliation of revenue from sale of products recognised with the contract price:		
Contract Price	52,643	45,507
Adjustments for:		
Refund liabilities	(300)	(307)
Discount/Incentives	(2,179)	(2,270)
Revenue from Sale of products	50,164	42,930

Critical judgements in recognising revenue :

The Company has recognised Provision for discounts and sales returns amounting to ₹ 826 millions from sale of products to various customers as at March 31, 2022 (March 31, 2021 ₹ 764). 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 FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

20 OTHER INCOME

	Year ended March 31, 2022		Year ended March 31, 2021	
Interest Income from financial assets at amortised cost		647		506
Unwinding of discount on security deposits		10		23
Net gain/ (loss) on sale of Plant, property and equipment ;		-		1
Net gain on financial assets measured at fair value through profit or loss				
-Realized Gain		-		40
-Unrealized Gain/ (Loss)		273		188
Net foreign exchange differences	-		443	
Less: transferred to capital work in progress	-	-	(117)	326
Provision for bad and doubtful debts and advances no longer required		-		4
Miscellaneous Income		69		85
TOTAL		999		1,173

21 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

	Year ended March 31, 2022		Year ended March 31, 2021	
Closing balance				
Finished Goods	1,010		1,416	
Stock in trade	442		355	
Work in Progress	3,063		994	
Right to recover returned goods	167	4,682	168	2,933
Opening balance				
Finished Goods	1,415		987	
Stock in trade	355		466	
Work in Progress	994		357	
Right to recover returned goods	168	2,932	52	1,862
TOTAL		(1,750)		(1,071)

22 EMPLOYEE BENEFIT EXPENSE

	As at March 31, 2022	As at March 31, 2021
Salaries, wages and bonus	4,149	3,865
Contribution to provident & other funds	164	147
Gratuity (Refer Note 30)	57	65
Long term compensated absences	33	43
Employees Welfare Expenses	176	174
Expense on Employee Stock Option Scheme (Refer Note 31)	-	(31)
TOTAL	4,579	4,263
Less: transferred to CWIP	99	374
	4,480	3,889

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

23 OTHER EXPENSES

	As at March 31, 2022	As at March 31, 2021
Power, fuel & water	1,530	1,271
Consumption of stores & spares	381	345
Repairs & maintenance		
- Buildings	83	69
- Plant and machinery	386	352
- Others	268	203
Environment & pollution control expenses	1,038	684
Laboratory & testing charges	345	378
Freight & cartage	753	494
Advertisement & sales promotion	472	335
Travelling and conveyance	408	279
Rental charges {Refer note 32(c)}	111	75
Rates and taxes	50	46
Insurance	168	137
Donation	5	54
Payment to auditors {Refer note 23 (a) below}	8	10
Telephone and communication charges	70	45
Provision for bad and doubtful debts & advances	187	2
Director sitting fees and commission	37	16
Legal & professional fees	445	287
Technical Know How Fees	25	18
Bank charges	70	58
Net foreign exchange differences	31	-
Corporate social responsibility expenditure {Refer note 24 below}	137	114
Miscellaneous expenses	327	383
TOTAL	7,335	5,655
Less: transferred to CWIP	14	32
	7,321	5,623
a. Auditors' Remuneration #		
-Audit fees*	6	7
- Limited review fees**	2	2
-Certificates	0	1
-Reimbursement of expenses	0	0
TOTAL	8	10

Excluding fees relating to Qualified institutional placement amounting to ₹ Nil (March 31, 2021 ₹ 13), debited to securities premium reserve.

* Includes audit fees amounting to ₹ Nil (March 31, 2021: ₹ 1) pertaining to fees paid to auditor of merged entity i.e. Isagro (Asia) Agrochemicals private Limited.

**Includes Limited review fees amounting to ₹ 0 (March 31, 2021: ₹ 1) pertaining to fees paid to auditor of merged entity i.e. Isagro (Asia) Agrochemicals Private Limited.

24 CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

	As at March 31, 2022	As at March 31, 2021
Amount required to be spent by the Company during the year	137	114
Amount of expenditure incurred	137	114
Amount of Shortfall for the year	-	-
Amount of Cumulative shortfall at the end of the year	-	-

Disclosures in relation to corporate social responsibility expenditure

	As at March 31, 2022	As at March 31, 2021
Contribution to PI foundation	137	114
Accrual towards unspent obligations in relation to:		
On going projects	-	-
Other than ongoing projects	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

Details of ongoing CSR projects under Section 135(6) of the Act

Balance as at 1 April 2021		Amount required to be spent during the year	Amount spent during the year		Balance as at 1 April 2022	
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
-	16	137	95	7	-	51

Note 1- The Company has transferred required amount to PI Foundation amounting to INR 137 (Previous Year : INR 114) out of which INR 42 (Previous Year : INR 16) has been refunded back to the Company in April 2022 (Previous Year : April 2021) as the amount was not spent by PI Foundation.

Details of CSR expenditure under Section 135 (5) of the Act in respect of other than ongoing projects

Balance unspent as at 1 April 2021	Amount deposited in specified fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at 31 March 2022
-	-	-	-	-

Details of excess CSR expenditure under Section 135 (5) of the Act

Balance excess spent as at 1 April 2021	Amount deposited in specified fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Balance excess spent as at 31 March 2022
-	-	-	-

25 DEPRECIATION AND AMORTIZATION EXPENSES

	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation of property, plant and equipment (Refer Note 4)	1,720	1,461
Amortization of right-of-use assets (Refer Note 4)	158	165
Amortization of intangible assets (Refer Note 5)	106	94
TOTAL	1,984	1,720

26 FINANCE COST

	Year ended March 31, 2022	Year ended March 31, 2021
Interest on financial liabilities measured at amortised cost	85	259
Less: transferred to capital work in progress	-	(19)
Interest and finance charges on lease liability	38	43
Other borrowing costs	-	1
TOTAL	123	284

27 INCOME TAX EXPENSE

	Year ended March 31, 2022	Year ended March 31, 2021
a) Income tax expense recognized in Profit and Loss		
Current tax expense		
Current tax on profits for the year	1,759	1,604
Adjustment of current tax for prior year periods	93	66
Total Current tax expense	1,852	1,670
Deferred tax expense		
(Decrease) / Increase in Deferred tax liability	472	790
Decrease / (Increase) in Deferred tax assets	516	(548)
Net Deferred tax expense	(44)	242
Total Income tax expense	1,808	1,912

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

b) Deferred tax related to items recognised in Other comprehensive income during the year

	Year ended March 31, 2022	Year ended March 31, 2021
Remeasurement of defined benefit plans	3	2
Effective portion on cash flow hedges	43	373
Income tax charged to Other comprehensive income	46	375

c) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

	Year ended March 31, 2022	Year ended March 31, 2021
Accounting profit before tax	10,005	9,017
Tax at India's statutory income tax rate @ 34.944% (March 31, 2021: 34.944%)	3,496	3,151
Adjustment in respect of current income tax of previous years	93	66
Effect of income that is exempt from taxation (operations in tax free zone)	(1,826)	(1,340)
Effect of amounts which are not deductible in calculating taxable income	45	35
Income Tax Expense	1,808	1,912

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, 2022	Year ended March 31, 2021
Other Income	0	0
TOTAL	0	0
Employee Benefit Expenses		
Salaries, Wages & Bonus	480	449
Contributions to Provident & other funds	40	29
Employee Welfare Expenses	13	7
	533	485
Raw & Packing Materials Consumed	130	140
Other Expenses		
Laboratory & testing Material	68	78
Power, Fuel & Water	47	47
Consumption of stores & spares	31	79
Testing & analysis	40	50
Travelling & conveyance	18	11
Rates and taxes	0	0
Printing & Stationery	1	0
Bank Charges	0	0
Legal & professional fees	54	39
Miscellaneous Expenses	114	72
	373	376
Depreciation		
Depreciation	153	132
TOTAL	1,189	1,133
Total Expenditure Allowed	1,189	1,133

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

b) Capital Expenditure

Description	Year ended March 31, 2022	Year ended March 31, 2021
Buildings	2	10
Equipment's & Others	183	225
TOTAL	185	235

29A EARNING PER SHARE

	Year ended March 31, 2022	Year ended March 31, 2021
a) Net Profit for Basic & Diluted EPS	8,197	7,105
b) Number of Equity Shares at the beginning of the year	151,718,118	138,107,993
Add: Issue of Shares under ESOP/ QIP	-	13,610,125
Total Number of Shares outstanding at the end of the Period	151,718,118	151,718,118
Weighted Average number of Equity Shares outstanding during the period - Basic	151,718,118	148,023,217
Add: Weighted Average number of Equity Shares arising out of grant of ESOP	-	35,849
Weighted Average number of Equity Shares outstanding during the year - Diluted	151,718,118	148,059,066
Earning Per Share - Basic (₹)	54.03	47.98
Earning per share - Diluted (₹)	54.03	47.97
Face value per share (₹)	1.00	1.00

29B RATIO ANALYSIS

S. No.	Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% Variance
1	Current ratio (times)	Current asset	Current Liabilities	3.69	3.39	8.8%
2	Debt-Equity ratio (times)	Borrowing	Total Equity	0.04	0.06	-28.5% *
3	Debt Service Coverage ratio (times)	Earnings (Net profits) after tax + Non cash operating expense + interest	Debt Service = Interest and Principal payments including lease payments	10.42	3.93	165.2%#
4	Return on Equity ratio (%)	Profit after tax	Average Equity	14.5%	18.0%	-19.7%
5	Inventory Turnover ratio (times)	COGS	Average Inventory	2.38	2.76	-13.9%
6	Receivables Turnover ratio (times)	Credit Sales	Average Receivable (Including contract assets)	5.91	5.93	-0.4%
7	Payables Turnover ratio (times)	Credit Purchases	Average Payable	3.73	3.03	23.0%
8	Net Capital Turnover ratio (times)	Sales	Net working capital (CA-CL)	1.48	1.42	4.0%
9	Net Profit ratio (%)	Profit after tax	Sales	16.1%	16.3%	-0.9%
10	Return on Capital Employed (%)	Earnings before interest and Tax (EBIT)	Total Equity + Debt + Deferred tax liability - QIP funds	20.8%	23.0%	-9.6%
11	Return on Investment (%)	Earnings before interest and Tax (EBIT)	Average Total Assets	13.9%	16.8%	-17.1%

* Repayment of Debt during the year resulted into this variance

Reduced Debt liability on account of repayment during the year and Increase in profits after tax for the year.

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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

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 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 Company has recognised an expense of ₹ 164 (Previous Year ₹ 147) towards the defined contribution plan

b) Defined benefits plans - as per actuarial valuation

I Change in present value of obligation during the year

	Year ended March 31, 2022	Year ended March 31, 2021
	Gratuity Funded	Gratuity Funded
Present value of obligation at the beginning of the year	407	370
Total amount included in profit and loss: *		
- Current Service Cost	52	54
- Interest Cost	27	25
- Past Service Cost	-	4
Total amount recognised in profit or loss	79	83
Total amount included in OCI:		
Remeasurement related to gratuity:		
Actuarial losses/(gains) arising from:	(9)	(15)
- Demographic Assumption	3	(1)
- Financial assumption	(16)	-
- Experience Judgement	4	(14)
Others		
Benefits Paid	(47)	(31)
Present Value of obligation as at year-end	430	407

*Includes expenses reclassified to capital work in progress ₹ 3 (March 31, 2021 ₹ 6)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

II Change in Fair Value of Plan Assets during the year

	Year ended March 31, 2022	Year ended March 31, 2021
Plan assets at the beginning of the year	320	252
Included in profit and loss:		
Expected return on plan assets	22	17
Included in OCI:		
Actuarial Gain/(Loss) on plan assets	(0)	(8)
Others:		
Employer's contribution	80	90
Benefits paid	(46)	(21)
Claim received during the year from fund manager	-	-
Pending claim with fund manager	(2)	(10)
Plan assets at the end of the year	374	320

III Reconciliation of Present value of Defined Benefit Obligation and Fair Value of Plan Assets

	Year ended March 31, 2022 Gratuity Funded	Year ended March 31, 2021 Gratuity Funded
1 Present Value of obligation as at year-end	430	407
2 Fair value of plan assets at yearend	374	320
3 Funded status {Surplus/(Deficit)}	(56)	(87)
Net Asset/(Liability)	(56)	(87)

IV Bifurcation of Present value of obligation at the end of the year

	Year ended March 31, 2022 Gratuity Funded	Year ended March 31, 2021 Gratuity Funded
1 Current Liability	-	2
2 Non-Current Liability	56	85
V Actuarial Assumptions		
1 Discount Rate	7.18%	6.79%
2 Expected rate of return on plan assets	7.50%	7.50%
3 Mortality Table	IALM (2012-14)	IALM (2012-14)
4 Salary Escalation	7.00%	7.00%

VI The expected contribution for Defined Benefit Plan for the next financial year will be ₹ 65 (March 31, 2021: ₹ 70).

VII Sensitivity Analysis

Gratuity	Year ended March 31, 2022 Increase	Year ended March 31, 2021 Increase
Discount rate (0.50 % movement)	(17)	(15)
Future salary growth (0.50 % movement)	18	16

VIII Maturity Profile of Defined Benefit Obligation

	Year ended March 31, 2022 Gratuity Funded	Year ended March 31, 2021 Gratuity Funded
Within the next 12 months	20	23
Between 2-5 years	106	99
Beyond 5 years	304	285

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

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.:- 31.44% (PY 30.67%) of the Funds are in Defensive Manager Fund and 68.55% (PY 69.33%) of the Funds are in Secure Managed Fund.
- c) Kotak Mahindra Old Mutual Life Insurance Ltd. :- 44.29% (PY 51.14%) of the Funds are in Kotak Group Bond Fund, 35.94% (PY 37.10%) of the Funds are in Kotak Group Balance Fund and 19.77% (PY 11.76%) 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 ₹ 137 (March 31, 2021 ₹ 181).

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.

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

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 2022

	March 31, 2022		March 31, 2021	
	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	89,263	599	2,07,178	623.36
Options Granted during the year	-	NA	-	NA
Options Forfeited / Surrendered during the year	-	-	53,638	744
Total number of shares arising as a result of exercise of options	33,442	509.54	64,277	618.37
Money realised by exercise of options (₹ Mn)	-	NA	40	NA
Number of options Outstanding at the end of the year	55,821	604.49	89,263	599
Number of Options exercisable at the end of the year	55,821	604.49	89,263	599

II. Weighted Average remaining contractual life

Range of Exercise Price	March 31, 2022		March 31, 2021	
	No. of Options Outstanding	Weighted average contractual life (years)	No. of Options Outstanding	Weighted average contractual life (years)
25 to 75	-	NA	-	NA
75 to 150	373	1.34	10,717	2.34
150 to 450	750	2.47	1,520	3.47
450 to 750	54,698	3.91	77,026	5

III. Weighted average Fair Value of Options granted during the year

	March 31, 2022	March 31, 2021
Exercise price is less than market price (in ₹) *	NA	NA

*No options granted during the year ended March 31, 2022 and March 31, 2021.

IV. The weighted average market share price of options exercised during the year ended March 31, 2022 is ₹ 2,930.88 (March 31, 2021 is ₹ 2,066.99)

V. Particulars	March 31, 2022	March 31, 2021
Employee Option plan expense	Nil	(31)
Total liability at the end of the period	Nil	Nil

32 CAPITAL & OTHER COMMITMENT

	March 31, 2022	March 31, 2021
a. Estimated Amount of Contracts remaining to be executed on capital account and not provided for {Net of advances ₹ 76 (March 31, 2021: ₹ 81)}	12	188
b. Export Commitment	7,630	5,873

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

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. From April 1, 2019, 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, 2022	March 31, 2021
Short term lease expense	62	45
Low value lease expense	49	30
Total (refer note 23)	111	75

Total of future minimum lease payments under non-cancellable short term operating leases for each of the following periods:

Particular	March 31, 2022	March 31, 2021
Payable within one year	-	25
-Later than one year and not later than five years	-	48
-Later than five years	-	-
-Lease payments recognised in Statement of Profit and Loss (Refer note 23)	111	75

33 CONTINGENT LIABILITIES

	March 31, 2022	March 31, 2021
a. Claims against the Company not acknowledged as debt; * (refer note (i) below)		
- Sales Tax	44	45
- Excise Duty**	327	149
- Income Tax	585	237
- Custom	108	-
- Other matters, including claims relating to customers, labour and third parties etc.	97	94
B Guarantees excluding financial guarantees;		
- Performance bank guarantees	377	389
c. Other money for which the Company is contingently liable		
- Letter of Credit	3,793	2,873

Notes:

- (i) Represents amounts as stated in Demand Order excluding interest and penalty

* 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-1/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 and circular No. C-1/1(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).

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

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, 2022	March 31, 2021
Active Ingredients and Intermediates	39,718	33,612
Formulations	9,854	9,069
Others	1,197	930
TOTAL	50,769	43,611

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, 2022	March 31, 2021
India	11,969	10,511
Asia (other than India)	14,628	9,453
North America	16,334	15,917
Europe	3,576	3,262
Rest of the World	4,262	4,468
TOTAL	50,769	43,611

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, 2022	March 31, 2021
India	25,492	24,171
Asia (other than India)	0	0
Europe	4	5
TOTAL	25,496	24,176

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 (Incorporated as wholly owned subsidiary of the Company w.e.f. September 11, 2020)
(j) PI Bioferma Private Limited (Formerly known as PI Enzachem Private Limited)	Subsidiary (Incorporated as wholly owned subsidiary of the Company w.e.f. September 11, 2020)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount 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 Chairperson 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)
Mr. Narayan K. Seshadri	Independent Non-Executive (Chairperson)
Mr. Pravin K. Laheri	Independent Non-Executive Director
Ms. Ramni Nirula	Independent Non-Executive Director
Mr. Arvind Singhal	Non-Executive Non Independent Director
Dr. Tanjore Soundararajan Balganes	Independent Non-Executive Director
Ms. Lisa Jane Brown	Independent Non-Executive Director (w.e.f. August 4, 2020)
Mr. Shobinder Duggal	Independent – Additional Director (w.e.f. November 12, 2021)

(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

b) The following transactions were carried out with related parties in the ordinary course of business:

Nature of Transaction	Type of relation	2021-22		2020-21	
		Transactions during the period	Balance outstanding Dr (Cr)	Transactions during the period	Balance outstanding Dr (Cr)
Compensation to KMP					
-Short term employee benefits		273		292	
-Post employment benefits		17		10	
-Commission and other benefits to non-executive/ independent Directors	a(ii)(a)	37		16	
Total		327	(214)	318	(271)
Other Transactions					
Purchase of services	a(i)(b)	57	(13)	48	-
	a(i)(c)	63	(10)	61	(10)
	a(ii)(b)	14	(4)	13	(2)
	a(i)(g)	2	-	-	-
	a(i)(h)	1	-	-	-
Purchase of Goods	a(i)(e)	594	(80)	665	(25)
	a(i)(h)	75	(37)	65	(8)
Sales of services	a(i)(d)	1	0	1	-
	a(i)(e)	78	-	122	-
	a(i)(h)	26	-	-	-
Sale of Capital Goods	a(i)(h)	2	-	-	-
Sale of Goods	a(i)(e)	335	144	448	5
	a(i)(h)	490	165	235	5
Rent and Power Cost received	a(i)(b)	5	-	6	-
Rent received	a(i)(d)	0	-	0	-
Rent received	a(i)(e)	4	-	-	-
Rent received	a(i)(h)	2	-	4	-
Rent paid	a(i)(a)	0	-	0	(0)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

Nature of Transaction	Type of relation	2021-22		2020-21	
		Transactions during the period	Balance outstanding Dr (Cr)	Transactions during the period	Balance outstanding Dr (Cr)
Rent paid	a(ii)(b)	2	-	2	-
Security Deposits	a(i)(a)	-	0	-	0
Loans Given	a(i)(f)	-	53	-	58
Advance given	a(i)(g)	27	-	-	-
	a(i)(b)	1	1	-	-
	a(i)(h)	9	9	-	-
Amount payable on account of scheme of arrangement	a(ii)(b)	2	2	-	-
	a(i)(h)	-	-	-	(728)
Loans Received	a(i)(f)	-	-	-	-
	a(i)(g)	27	-	68	-
Interest	a(i)(g)	(0)	-	-	-
Travel & Other expenditure incurred	a(ii)(a)	26	(0)	5	5
	a(ii)(b)	1	-	-	-
Dividend Paid	a(ii)(a)	163	-	122	-
	a(ii)(b)	194	-	143	-
Investments	a(i)(f)	0	-	0	-
	a(i)(i)	-	-	0	-
	a(i)(j)	-	-	0	-
Contribution towards CSR Activities	a(i)(g)	10	-	-	-
	a(iii)(a)	137	-	109	-
Donation	a(iii)(a)	0	-	-	-
	a(iii)(b)	5	-	4	-

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, 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2021: ₹ 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, 2022 Amount	March 31, 2021 Amount
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end*	15	109
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	455	325
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	3	2
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	-	3
Interest accrued and remaining unpaid at the end of each accounting year	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	-	2

* Does not include principal amount outstanding of Rs 212 (March 31, 2021 Rs 192) as the balance is not due as on the reporting period.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

37 FINANCIAL INSTRUMENTS

1 Financial instruments – Fair values and risk management

A. Financial instruments by category

	Note	March 31, 2022			March 31, 2021		
		FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial Assets							
Non-current Assets*							
Derivative financial instruments	7(g)	-	273	-	-	192	-
Other financial asset	7(g)	-	-	1522	-	-	109
Current Assets							
Investments	7(b)	7,331	-	1,216	7,080	-	1,437
Trade receivables	7(d)	-	-	7,913	-	-	6,463
Cash and cash equivalents	7(e)	-	-	3,095	-	-	1,028
Bank balance other than cash and cash equivalents	7(f)	-	-	10,122	-	-	13,185
Loans and advances	7(c)	-	-	89	-	-	121
Derivative financial instruments	7(g)	-	316	-	-	292	-
Other financial assets	7(g)	-	-	134	-	-	165
TOTAL		7,331	589	24,091	7,080	484	22,508
Financial Liabilities							
Non-current Liabilities							
Borrowings	14(a)	-	-	1,699	-	-	2,574
Lease Liabilities	14(d)	-	-	253	-	-	280
Derivative Financial Instrument	14(d)	-	-	-	-	-	-
Other financial liabilities	14(c)	-	-	209	-	-	205
Current Liabilities							
Borrowings	14(a)	-	-	979	-	-	705
Lease liabilities	14(d)	-	-	117	-	-	144
Trade payables	14(b)	-	-	8,840	-	-	7,823
Other financial liabilities	14(c)	-	-	1,835	-	-	2,999
TOTAL		-	-	13,932	-	-	14,730

* Excluding Investment in subsidiaries measured at cost in accordance with Ind AS 27

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

	Note	March 31, 2022			March 31, 2021		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets:-							
Investment in mutual funds	7(b)	7,331	-	-	7,080	-	-
Derivative financial instruments	7(g)	-	589	-	-	484	-
TOTAL		7,331	589	-	7,080	484	-
Financial Liabilities: -							
Derivative financial instruments	14(d)	-	-	-	-	-	-
TOTAL		-	-	-	-	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

	Note	March 31, 2022			March 31, 2021		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets							
Security deposits	7(g)	-	-	77	-	-	85
Loans and advances to related parties (PII ESOP Trust)	7(c)	-	-	65	-	-	58
TOTAL		-	-	142	-	-	143
Financial liabilities							
Security deposits from contractors	14(c)	-	-	4	-	-	4
TOTAL		-	-	4	-	-	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 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.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

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.

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 ₹ 17,435 (March 31, 2021 ₹ 15,743) including an amount of ₹ 8,692 and ₹ 8,743 (March 31, 2021 ₹ 9,984 and ₹ 5,759) 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 like limited impacted of COVID – 19 on domestic trade receivable engaged in exempted areas of agricultural activities.

The following table provides information about the exposure to credit risk and expected credit loss:

Reconciliation of loss allowance provision – Trade receivables and Interest and Other charges recoverable from customer

	March 31, 2022	March 31, 2021
Opening balance	531	534
Changes in loss allowance	187	(3)
Write-off / Adjustment	(5)	-
Closing balance	713	531

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. The Company considers that its cash and cash equivalents have low credit risk based on external credit ratings of counterparties.

Based on the assessment there is no impairment 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

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, 2022 and March 31, 2021 was as follows:

	March 31, 2022	March 31, 2021
Trade receivables	7,913	6,463
Cash and cash equivalents	3,095	1,028
Bank balances other than above	10,122	13,185
Other non-current financial assets	1,397	-
Non-current financial investment at amortised cost	202	-
Investments	8,547	8,517
Loans	89	121
Other financial assets	2,245	758
TOTAL	33,610	30,072

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. The Company does not anticipate material impact on future cash flows as agricultural activities are exempted from COVID -19 related travel restrictions. 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, 2022	March 31, 2021
Expiring within one year		
- Fund based (Floating rate)	2,830	3,694
- Non fund based (Fixed rate)	-	573

(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, 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	-	-	-	-
Deferred Lease Liability	454	43	105	108	153	45
Other Payable	956	433	523	-	-	-
TOTAL	14,119	9,925	1,957	1,098	888	251

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

March 31, 2021	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	3,290	-	705	940	1,645	-
Interest Accrued but not due on Borrowings	4	4	-	-	-	-
Interest payment on Term Loan	95	-	39	32	24	-
Trade Payables (Due to micro and small enterprises)	301	301	-	-	-	-
Trade Payables (Other Trade Payables)	7,522	7,522	-	-	-	-
Employee payables	761	227	534	-	-	-
Unspent CSR	16	-	7	9	-	-
Security Deposits from Dealers	203	-	-	-	-	203
Security Deposits from Contractors	4	4	-	-	-	-
Unclaimed Dividends	43	43	-	-	-	-
Creditors for Capital Purchases	485	485	-	-	-	-
Deferred Lease Liability	424	54	90	112	164	4
Other Payable	1,708	1,247	461	-	-	-
TOTAL	14,856	9,887	1,836	1,093	1,833	207

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.

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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

Foreign currency risk exposure -

The currency profile of financial assets and financial liabilities as at March 31, 2022 and March 31, 2021 expressed in Indian Rupees (₹) are as below:

Non derivative

Particulars	March 31, 2022					
	USD	EURO	JPY	GBP	CHF	AUD
Financial assets						
Cash and cash equivalents (EEFC Account)	754	-	-	-	-	-
Trade receivables	4,996	54	9	-	-	-
	5,750	54	9	-	-	-
Financial liabilities						
Borrowings	2,669	-	-	-	-	-
Trade payables	3,713	65	13	0	-	-
	6,382	65	13	0	-	-

Particulars	March 31, 2021					
	USD	EURO	JPY	GBP	CHF	AUD
Financial assets						
Cash and cash equivalents (EEFC Account)	350	-	-	-	-	-
Trade receivables	4,527	20	7	-	-	-
	4,877	20	7	-	-	-
Financial liabilities						
Borrowings (Term Loan)	3,275	-	-	-	-	-
Trade payables	4,073	22	108	0	-	-
	7,348	22	108	0	-	-

The following significant exchange rates have been applied during the year.

	Year-end spot rate (₹)	
	March 31, 2022	March 31, 2021
USD	75.79	73.11
EUR	84.22	85.75
JPY (100)	62.15	66.11
GBP	99.46	100.75
CHF	82.03	77.56
AUD	56.74	55.70

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.

Effect in ₹	Profit or loss, net of tax		Impact on other components of equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
March 31, 2022				
5% movement				
USD	(21)	21	-	-
EUR	-	-	-	-
JPY	(0)	0	-	-
GBP	(0)	0	-	-
TOTAL	(21)	21	-	-

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

Effect in ₹	Profit or loss, net of tax		Impact on other components of equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
March 31, 2021				
5% movement				
USD	(43)	43	-	-
EUR	-	-	-	-
JPY	(3)	3	-	-
GBP	(0)	0	-	-
TOTAL	(46)	46	-	-

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, 2022	March 31, 2021
Fixed-rate instruments		
Financial assets	13,204	15,148
Financial Liabilities	-	-
Variable-rate instruments		
Financial liabilities	2,669	3,275
TOTAL	15,873	18,423

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, 2022				
Variable-rate instruments	8.68	(8.68)	-	-
Cash flow sensitivity (net)	8.68	(8.68)	-	-
March 31, 2021				
Variable-rate instruments	10.65	(10.65)	-	-
Cash flow sensitivity (net)	10.65	(10.65)	-	-

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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

V. Impact of Hedging activities

(a). Disclosure of hedge accounting on financial position

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

Type of hedge and risk	March 31, 2021					
	No. of outstanding contracts	Nominal Value (₹)	Carrying value of hedging instrument * (₹)	Maturity date	Hedge ratio	Weighted average strike price/rate
Foreign exchange forward contracts	207	23,137	484	April 2021 to - Sep 2024	1:1	US\$1: ₹ 79.24

* Refer Note No. 7(g)

(b). Disclosure of effects of hedge accounting on financial performance

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

Particulars	March 31, 2021			
	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	1,033	-	(34)	Revenue

(c). Movement in the cash flow hedge reserve

Effective portion of Cash flow Hedges	Amount
As at April 01, 2020	(419)
Add: Effective portion of gains/(losses) on cash flow hedges	1033
Less: Amount reclassified to profit and loss account	(34)
Less: Deferred tax relating to above	373
As at March 31, 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

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

(All amount 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.

Effect in ₹	Profit or loss, net of tax		Impact on other components of equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
March 31, 2022				
5% movement				
USD	-	-	761	(761)
March 31, 2021				
5% movement				
USD	-	-	753	(753)

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

		March 31, 2022	March 31, 2021
Borrowings (Non-current)		1,699	2,574
Borrowings (Current)		979	705
Total Debt	A	2,678	3,279
Total Equity	B	60,387	52,860
Debt to Equity ratio	A/B	0.04	0.06

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)(d) for details of applicable loan covenants.

40. ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged as security for borrowings are:

	March 31, 2022	March 31, 2021
Property, plant and equipment		
First charge	4,552	5,165
Second charge	9,938	11,021
Floating charge on Other Assets	47,048	43,439
TOTAL	61,538	59,625

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

41. Additional regulatory information required by Schedule III of Companies Act, 2013

(i) Transactions with Struck off companies:-

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 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.

(ii) 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.

(iii) 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:

- 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 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:

- 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

(iv) Compliance with number of layers of companies: The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(v) 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. The effect of the scheme of arrangement is disclosed in note 43.

(vi) 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.

(vii) 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

- (viii) **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.
- (ix) As at March 31, 2022, 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, 2021: Nil). During the year, the Company had granted Loan of INR 27 million to PI Health Sciences Private Limited at interest rate of G SEC + 0.38%, the entire amount of principal and interest was repaid within FY21-22. (Also, refer note 35).
- (x) 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 had raised Rs. 20,000 million during the FY 20-21 through Qualified Institutional Placement (QIP) of equity shares. The Company had issued 13,605,442 equity shares of face value of Rs. 1 each at a price of Rs. 1,470 per Equity Share, including a premium of Rs. 1,469 per Equity Share. Funds received pursuant to QIP (net of expense Rs. 250 million) remain invested in fixed deposits, liquid and other debt mutual funds.
43. The Hon'ble National Company Law Tribunal (NCLT), vide its order dated December 6, 2021, has approved the scheme of merger ('Scheme') of Isagro (Asia) Agrochemicals Private Limited (hereinafter referred as 'Isagro') with the Company, the appointed date being December 27, 2019. Isagro was engaged in manufacturing of agro chemicals, technical grade pesticides and formulations.

Consequently, the corresponding figures for the previous year have been restated based on the audited financial statements of the Company and its subsidiary to give effect of the merger in these financial statements in accordance with the Scheme and also IND AS 103, Business Combination and other applicable accounting standards.

Since this is a merger of a wholly owned subsidiary, there was no issue of shares or any other considerations.

Following are the details of the assets and liabilities (at fair value) acquired pursuant to merger:

Particulars	Amount in Million as at December 27, 2019 (a)	Movement during the period (In Million) (b)	Amount in Million as at April 1, 2020 (a)-(b)
Property, Plant and equipment	684	(9)	675
Net book value of other assets	1,266	56	1,322
Contractual Intangibles	324	(16)	308
Total	2,274	31	2,305
Less – Investment in Isagro	2,945		
Goodwill	671		

The above adjustments were earlier made in the consolidated financial statements for the year ended March 31, 2020 and March 31, 2021 which have now been considered in the standalone financial statements as mentioned above.

44. The Company will provide necessary financial support to its wholly owned subsidiary PI Fermachem Private Limited and PI Bioferma Private limited as and when needed.
45. (a) The goodwill 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 16% 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.
- (b) The investment in Jivagro Limited 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 15% 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

46. EVENTS AFTER REPORTING DATE

The Board of Directors in the meeting held on May 17, 2022 have recommended final dividend for the year ended March 31, 2022 which is subject to the approval of shareholders in the ensuing annual general meeting. Refer note 13(B) for details.

47. Pursuant to amendment in Schedule III to the Companies Act, 2013 by Ministry of Corporate Affairs vide its notification dated March 24, 2021, the comparative figures as disclosed in these financial statements have been regrouped/reclassified, wherever necessary, to make them comparable to current period figures.

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

Place: Gurugram
Date: May 17, 2022

For and on behalf of the Board of Directors

Sd/-
Mayank Singhal
Vice Chairperson & Managing Director
DIN: 00006651
Place: Mumbai

Sd/-
Manikantan Viswanathan
Chief Financial Officer
Place: Mumbai

Sd/-
Rajnish Sarna
Joint Managing Director
DIN: 06429468
Place: Mumbai

Sd/-
Naresh Kapoor
Company Secretary
Place: Mumbai

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, 2022, 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, 2022, of 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
<p>Assessment of impairment of Goodwill arising from acquisition of subsidiaries in earlier years.</p> <p>(Refer to note 5 in the Consolidated financial statements)</p> <p>The carrying value of Goodwill as on March 31, 2022 is INR 828 Million.</p> <p>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, 2022.</p> <p>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.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • 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. <p>Based on our procedures performed above, the management’s assessment of the carrying value of Goodwill is considered appropriate.</p>

Other Information

- 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

- 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 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.
- 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.
- 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

- 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.
- 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 ₹ 3,502 MN and net assets of ₹ 2,371 MN as at March 31, 2022, total revenue of ₹. 2,879 MN, total comprehensive income (comprising of profit and other comprehensive income) of ₹ 191 MN and net cash flows amounting to ₹ 363 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 ₹. 0.29 MN and ₹. 35 MN for the year ended March 31, 2022 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 dated April 20, 2022, April 22, 2022, April 30, 2022, May 2, 2022, May 5, 2022, May 6, 2022 and May 14, 2022 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, controlled trust, joint venture entity and associate Company, is based solely on the reports of the other auditors.
15. We did not audit the financial statements of one subsidiary whose financial statements reflect total assets of ₹ 29 MN and net assets of ₹ 23 MN as at March 31, 2022, total revenue of ₹. 62 MN, total comprehensive income (comprising of profit and other comprehensive income) of ₹ 2 MN and net cash flows amounting to ₹ 2 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 report that there are no qualifications or adverse remarks included by the respective auditors of the Holding Company, six subsidiaries, one associate company and one joint venture entity in their CARO 2020 reports issued in respect of the standalone financial statements of the companies which are included in these Consolidated Financial Statements.

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, 2022 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, 2022 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 Company and joint venture entity had long-term contracts including derivative contracts as at March 31, 2022 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) ; and

(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.
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 the six subsidiaries and one associate based on the reports 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: FRN012754N/N500016

Sd/-
Sougata Mukherjee
 Partner

Place: Gurugram
 Date: May 17, 2022

Membership Number 057084
 UDIN: 22057084AJCVRJ4219

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, 2022

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, 2022, 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 Sciences 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 March 31, 2022, 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 Matter

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, which are companies incorporated in India, 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: FRN012754N/N500016

Place: Gurugram
Date: May 17, 2022

Sd/-
Sougata Mukherjee
Partner
Membership Number 057084

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	4	23,330	20,197
Capital work-in-progress	4	638	2,495
Goodwill	5	828	828
Other intangible assets	5	367	357
Intangible asset under development	6	507	380
Investments accounted for using the equity method	9	190	153
Financial assets			
(i) Investments	7(a)	258	54
(ii) Other financial assets	7(g)	1,894	346
Non current tax assets	11	135	132
Other non-current assets	10	125	146
Total non-current assets		28,272	25,088
Current assets			
Inventories	8	14,234	10,528
Financial assets			
(i) Investments	7(b)	8,547	8,517
(ii) Trade receivables	7(d)	8,687	7,035
(iii) Cash and cash equivalents	7(e)	3,506	1,096
(iv) Bank balances other than (iii) above	7(f)	10,596	13,661
(v) Loans	7(c)	30	70
(vi) Other financial assets	7(g)	452	462
Contract assets	7(h)	1,331	1,482
Other current assets	10	2,256	2,080
Total current assets		49,639	44,931
Total assets		77,911	70,019
EQUITY & LIABILITIES			
Equity			
Equity share capital	12	152	152
Other equity	13	61,052	53,272
Total equity		61,204	53,424
Liabilities			
Non current liabilities			
Financial liabilities			
(i) Borrowings	15(a)	1,699	2,574
(ii) Lease Liabilities	15(d)	281	284
(ii) Other financial liabilities	15(c)	290	275
Provisions	16	80	96
Deferred tax liabilities (Net)	17	875	796
Total non current liabilities		3,225	4,025
Current Liabilities			
Financial liabilities			
(i) Borrowings	15(a)	979	705
(ii) Lease Liabilities	15(d)	204	165
(iii) Trade payables	15(b)		
a) total outstanding dues of micro enterprises and small enterprises		260	319
b) total outstanding dues of creditors other than micro enterprises and small enterprises		8,982	7,641
(iv) Other financial liabilities	15(c)	1,988	2,488
Provisions	16	277	456
Current tax liabilities	19	94	65
Other current liabilities	18	698	731
Total current liabilities		13,482	12,570
Total liabilities		16,707	16,595
Total equity and liabilities		77,911	70,019
Notes to accounts	1 to 46		

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

Sd/-
Sougata Mukherjee
Partner
Membership Number 057084

For and on behalf of the Board of Directors

Sd/-
Mayank Singhal
Vice Chairperson & Managing Director
DIN: 00006651
Place: Mumbai

Sd/-
Rajnish Sarna
Joint Managing Director
DIN: 06429468
Place: Mumbai

Place: Gurugram
Date: May 17, 2022

Sd/-
Manikantan Viswanathan
Chief Financial Officer
Place: Mumbai

Sd/-
Naresh Kapoor
Company Secretary
Place: Mumbai

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

Particulars	Notes	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Revenue from operations	20	52,995	45,770
Other income	21A	1,014	1,249
Total income		54,009	47,019
Expenses:			
Cost of materials consumed		29,508	25,081
Purchase of stock in trade		1,739	1,637
Changes in inventories of finished goods, work in progress and stock in trade	21B	(2,019)	(1,006)
Employee benefit expense	22	4,804	4,169
Finance cost	26	128	282
Depreciation and amortisation expense	25	2,018	1,748
Other expense	23	7,539	5,767
Total expenses		43,717	37,678
Share of profit and (loss) of associates & joint venture accounted for using the equity method	9	36	44
Profit before tax		10,328	9,385
Income tax expense	27		
Current tax		(1,847)	(1,689)
Deferred tax		60	(249)
Income tax of earlier years		(103)	(64)
Total tax expense		(1,890)	(2,002)
Profit for the year		8,438	7,383
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
Remeasurements gains/(losses) on defined benefit plans		4	7
Income tax relating to the above item		(2)	(2)
(ii) Items that will be reclassified to profit or loss			
Effective portion of gains/(losses) on cash flow hedges		124	1,067
Income tax relating to the above item		(43)	(373)
Exchange difference on translation of foreign operations		(1)	(1)
Total comprehensive income for the year		8,520	8,081
Earnings per equity share	29		
1) Basic (in ₹)		55.65	49.92
2) Diluted (in ₹)		55.63	49.89
Face value per share (in ₹)		1.00	1.00

Notes to accounts

1 to 46

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

For and on behalf of the Board of Directors

Sd/-
Sougata Mukherjee
Partner
Membership Number 057084

Sd/-
Mayank Singhal
Vice Chairperson & Managing Director
DIN: 00006651
Place: Mumbai

Sd/-
Rajnish Sarna
Joint Managing Director
DIN: 06429468
Place: Mumbai

Place: Gurugram
Date: May 17, 2022

Sd/-
Manikantan Viswanathan
Chief Financial Officer
Place: Mumbai

Sd/-
Naresh Kapoor
Company Secretary
Place: Mumbai

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(All amount in ₹ million, unless otherwise stated)

FOR THE YEAR ENDED MARCH 31, 2022

a. Equity share capital

Particulars	Notes	As at March 31, 2022		As at March 31, 2021	
		No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period	12	151,628,855	152	138,107,993	138
Changes in equity share capital during the period		33,442	0	13,520,862	14
Balance at the end of the reporting period		151,662,297	152	151,628,855	152

b. Other equity

Particulars	Notes	Reserves & Surplus				Other Reserves		Total other equity			
		Capital reserve	Capital Redemption reserve	Securities premium reserve	Share option outstanding account	General reserve	Own shares held by Trust under ESOP scheme		Retained earnings	Effective portion of cash flow hedges	Foreign Currency Translation Reserve
Balance at April 1, 2020		15	4	2,249	42	1,857	(87)	22,389	(420)	4	26,053
Profit for the year		-	-	-	-	-	-	7,383	-	-	7,383
Other comprehensive income	13 i, h	-	-	-	-	-	-	5	694	(1)	698
Total comprehensive income for the year		-	-	-	-	-	-	7,388	694	(1)	8,081
Transactions with owners in their capacity as owners:											
Premium on issue of equity shares through ESOP	13 c.	-	-	14	-	-	-	-	-	-	14
Own shares held by ESOP Trust	12 c.	-	-	19,736	-	-	(4)	-	-	-	19,736
Shares issued under ESOP scheme	13 d.	-	-	-	(11)	-	40	-	-	-	(4)
Expense on Employee Stock Option Scheme	13 d.	-	-	-	(31)	-	-	-	-	-	(31)
Dividends paid	14	-	-	-	-	-	-	(606)	-	-	(606)
Balance at March 31, 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:											
Shares issued under ESOP scheme	13 d.	-	-	-	-	-	-	-	-	-	-
Dividends paid	14	-	-	-	-	-	18	(758)	-	-	(758)
Balance at March 31, 2022		15	4	21,999	-	1,857	(33)	36,853	355	2	61,052

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

Sd/-
Sougata Mukherjee
Partner
Membership Number: 057084

For and on behalf of the Board of Directors

Sd/-
Mayank Singhal
Vice Chairperson & Managing Director
DIN: 00006651
Place: Mumbai

Sd/-
Rajnish Sarma
Joint Managing Director
DIN: 06429468
Place: Mumbai

Sd/-
Manikantan Viswanathan
Chief Financial Officer
Place: Mumbai

Sd/-
Naresh Kapoor
Company Secretary
Place: Mumbai

Place: Gurugram
Date: May 17, 2022

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Income Tax	10,328	9,385
Adjustments for :-		
Depreciation and amortisation expense	2,018	1,748
Finance costs	128	282
Provision for Bad and Doubtful debts & Advances	225	(39)
Interest Income on Financial Assets at amortised cost	(665)	(541)
Unwinding of discount on Security Deposits	(6)	(11)
Expense on Employee Stock Option Scheme	-	(31)
(Gain)/Loss on Sale/Retirement of property, plant & equipment (Net)	0	(1)
(Gain)/Loss on sale of Investments (Net)	(0)	(50)
(Gain)/Loss on financial assets measured at fair value through profit or loss (Net)	(277)	(188)
Share of (profit)/loss of associate and joint venture	(36)	(44)
Unrealised (Gain)/Loss on foreign currency transactions (Net)	599	(311)
Operating Profit before Working Capital changes	12,314	10,199
(Increase) / Decrease in Trade Receivables	(2,302)	(647)
(Increase) / Decrease in Current financial assets - Loans	35	(9)
(Increase) / Decrease in Current Contract Assets	152	(460)
(Increase) / Decrease in Other current financial assets	19	194
(Increase) / Decrease in Other non-current financial assets	106	(9)
(Increase) / Decrease in Other current assets	(175)	(521)
(Increase) / Decrease in Other non-current assets	15	46
(Increase) / Decrease in other bank balances	27	(36)
(Increase)/Decrease in Inventories	(3,705)	(2,539)
Increase / (Decrease) in Current Provisions and Trade Payables	1,175	2,197
Increase / (Decrease) in Non-current Provisions	(16)	(28)
Increase / (Decrease) in Other current financial liabilities	(625)	335
Increase / (Decrease) in Other non-current financial liabilities	11	19
Increase / (Decrease) in Other current liabilities	7	155
Cash generated from Operations before tax	7,038	8,896
Income Taxes paid (Includes TDS)	(1,751)	(1,647)
Net cash inflow (outflow) from Operating Activities	5,287	7,249
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payments for purchase of property, plant & equipment including Capital Work in Progress, Intangible Assets and Capital Advances	(3,371)	(4,390)
Proceeds from sale of property, plant & equipment	9	15
Consideration paid for acquisition of subsidiary, net of cash acquired	(0)	0
Purchase of Equity Investment	-	15
Purchase of Current Investments	-	(9,500)
Sale of Current Investments	39	3,984
Fixed Deposits with remaining maturity of more than 12 months	(1,483)	(3)
Fixed Deposit having more than 3 months of original maturity and less than 12 months of remaining maturity	3,037	(14,654)
Interest Received	665	230
Net cash used in Investing Activities	(1,104)	(24,303)
Net cash inflow (outflow) from Operating and Investing Activities	4,183	(17,054)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
C. CASH FLOW FROM FINANCING ACTIVITIES		
Premium on issue of equity shares under ESOP scheme	-	39
Proceed on issue of Equity Shares under Qualified Institutional Placement (net of expenses)	-	14
Premium on issue from Qualified Institutional Placement (net of expenses)	-	19,736
Short Term Borrowings (Net)	-	(1,083)
Borrowings- Repayments	(720)	(1,848)
Borrowings- Term Loan	-	1,145
Principal elements of Deferred lease payments	(210)	(248)
Interest paid	(85)	(244)
Dividends paid (including Tax)	(758)	(607)
Net Cash inflow (outflow) from Financing Activities	(1,773)	16,904
Net Cash inflow (outflow) from Operating, Investing & Financing Activities	2,410	(150)
Effect of exchange differences on translation of foreign currency Cash & Cash equivalents	-	-
Net increase (decrease) in Cash & Cash equivalents	2,410	(150)
Opening balance of Cash & Cash equivalents	1,096	1,246
Closing balance of Cash & Cash equivalents	3,506	1,096
Note: Cash and cash equivalents included in the Cash Flow Statement comprise of the following :		
i) Cash on Hand	0	2
ii) Balance with Banks :		
-In Current Accounts	1,410	572
-In Fixed Deposits	2,096	522
Total	3,506	1,096

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 Consolidated 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

Place: Gurugram
Date: May 17, 2022

For and on behalf of the Board of Directors

Sd/-
Mayank Singhal
Vice Chairperson & Managing Director
DIN: 00006651
Place: Mumbai

Sd/-
Rajnish Sarna
Joint Managing Director
DIN: 06429468
Place: Mumbai

Sd/-
Manikantan Viswanathan
Chief Financial Officer
Place: Mumbai

Sd/-
Naresh Kapoor
Company Secretary
Place: Mumbai

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount 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 significant 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 17, 2022.

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 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. 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.

d) Reclassifications consequent to amendments to Schedule III

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on 24 March 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from 1 April 2021.

Consequent to above, the Company has changed the classification/presentation of (i) current maturities of long-term borrowings (ii) security deposits, in the current year.

The current maturities of long-term borrowings (including interest accrued) has now been included in the “Current borrowings” line item. Previously, current maturities of long-term borrowings and interest accrued were included in ‘other financial liabilities’ line item.

Further, security deposits (which meet the definition of a financial asset as per Ind AS 32) have been included in ‘other financial assets’ line item. Previously, these deposits were included in ‘loans’ line item.

The Company has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1. The impact of such classifications is summarised below:

Balance sheet (Extract)	March 31, 2021 (as previously reported)	Increase / (Decrease)	March 31, 2021 (reinstated)
Current Borrowings	-	705	705
Loans (non- current)	67	(67)	-
Other financial assets (non -current)	279	67	346
Loans (current)	103	(33)	70
Other financial assets (current)	429	33	462
Other financial liabilities - Current	3,358	(870)	2,488
Other financial liabilities - Non Current	559	(284)	275
Lease liabilities (Non-Current)	-	284	284
Lease liabilities (Current)	-	165	165

e) 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.

f) 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

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.

g) 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:

- Measurement of defined benefit obligations;
- Recognition of deferred tax assets & minimum alternative tax credit entitlement;
- Useful life and residual value of Property, plant and equipment and intangible assets;
- Impairment test of financial and non-financial assets including recoverability of expenditure on internally-generated intangible assets;
- Recognition and measurement of provisions and contingencies.
- Estimate of Sales Return.
- Adequacy of provision for bad/doubtful debts.
- Adequacy for inventory provisioning.

h) The Company recognises revenue over the period of time for contracts wherein the Company's performance for the products does not create an asset with alternative use to the Company and the Company 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.

The Company also recognises Provision for discounts and sales returns based on the current and expected operating environment, Sales returns variability, expected achievement of targets against various ongoing schemes floated.

3. Significant Accounting Policies

a) Property, plant and equipment

i) Recognition and measurement

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

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.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

- 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 Company has estimated the useful lives different from the lives prescribed in schedule II of Companies Act, 2013, in the following cases:

- Plant and Equipment (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 shorter.

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).

b) Intangible assets

i) Recognition and measurement

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

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax 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 to sell. 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

In respect of assets 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 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 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 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 is not classified in any of the above categories are subsequently fair valued through profit or loss.

iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

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, except for the effective portion of cash flow hedges, which is recorded in the Company's hedging reserve as a component of equity through OCI and later reclassified to profit and loss when the hedge item affects profit and loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability. The ineffective portion of such cash flow hedges is recorded in the statement of 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 estimated 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 includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing 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 Cenvat / Goods and service tax credit.

Cost of Work in progress and Finished Goods is determined on weighted average basis considering direct material cost and

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

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 benefits 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. For remaining contracts, revenue is recognised when the significant risk and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods to the degree usually associated with the ownership, and the amount of revenue can be measured reliably, regardless of when the payment is being made.

Revenue is measured at the fair value of the consideration received or receivable. 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 and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. A refund liability (included in other current liabilities) is recognized for expected returns from the customer 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.

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.

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 an employee renders the related service.

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 estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

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.

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 immediately 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.

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.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

(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 related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

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.

o) 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.

p) 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.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

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 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.

q) 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.

r) 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.

s) 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.

t) 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 Company	Country of Incorporation	%voting power held as at March 31st, 2022 (March 31, 2021)
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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

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 Company	Country of Incorporation	%voting power held as at March 31st, 2022 (March 31, 2021)
PI Kumiai Private Limited	India	50% (50%)
Solinnos Agro Sciences Private Limited	India	49% (49%)

Transactions eliminated on consolidation

Intra -group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group 's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Foreign operation

The assets and liabilities of foreign operations (subsidiaries, associates, joint arrangements, branches) including goodwill and fair value adjustments arising on acquisition, are translated into ₹, the functional currency of the Group , at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into ₹ at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

The resulting exchange difference arising on translations are recognised in OCI and accumulated in other Equity, except to the extent that they are allocated to Non-Controlling Interest.

(u) 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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount 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's	Vehicles	Total
Gross carrying amount									
As at beginning of April 01, 2020	589	52	1	5,436	14,507	186	179	628	21,578
Addition - Right of Use	-	-	-	18	-	-	27	101	146
Additions	-	-	-	1,057	3,284	20	18	1	4,380
Disposals/Adjustments	-	-	-	-	(14)	(2)	(0)	(0)	(16)
As at March 31, 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
Accumulated depreciation									
As at beginning of April 01, 2020	14	-	0	603	3,350	55	92	126	4,240
Depreciation charge during the year	-	-	-	207	1,162	20	28	44	1,461
Depreciation on Right of Use	7	-	-	86	-	-	15	84	192
Disposals	-	-	-	-	(0)	(1)	(1)	(0)	(2)
As at March 31, 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
Net carrying amount									
As at March 31, 2021	568	52	1	5,615	13,265	130	90	476	20,197
As at March 31, 2022	557	68	1	6,630	15,399	118	159	398	23,330

- a. Depreciation for the year includes depreciation amounting to ₹ 153 (March 31, 2021 ₹ 132) on assets used for Research & Development. During the year Group incurred ₹ 185 (March 31, 2021 ₹ 235) 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, 2022	As at March 31, 2021
Buildings	304	189
Office Equipment's	44	28
Vehicles	112	207
Leasehold land	557	568
Plant and Machinery	9	-
Total	1,026	992

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

e. Capital work in progress ageing schedule as on March 31, 2022

1) Ageing of Capital work in progress

Capital work in progress	Amount in Capital work in progress for a period of				Total
	Less than 1 years	1-2 years	2-3 years	More than 3 years	
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

Capital work in progress	To be completed in				Total
	Less than 1 years	1-2 years	2-3 years	More than 3 years	
(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
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

f. Capital work in progress ageing schedule as on March 31, 2021

1) Ageing of Capital work in progress

Capital work in progress	Amount in Capital work in progress for a period of				Total
	Less than 1 years	1-2 years	2-3 years	More than 3 years	
Projects in Progress	1,499	874	120	2	2,495
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

Capital work in progress	To be completed in				Total
	Less than 1 years	1-2 years	2-3 years	More than 3 years	
(i) Projects in Progress:					
Udaipur Plant - Existing R&D Centre - Replacement/Upgradation	109	-	-	-	109
Udaipur Plant - Existing Manufacturing Line - Replacement/Upgradation	79	-	-	-	79
Panoli Plant - Existing Manufacturing Line - Replacement/Upgradation	478	-	-	-	478
Panoli Plant- Existing LAB - Replacement/Upgradation	20	-	-	-	20
Panoli Plant - Setting up a new manufacturing line	49	-	-	-	49
Jambusar Plant - Existing Manufacturing Line - Replacement/Upgradation	286	-	-	-	286
Jambusar Plant - Setting up a new manufacturing line	1,410	-	-	-	1,410
Others	2	-	-	-	2
(ii) Projects temporarily suspended	-	-	-	-	-
Total	2,433	-	-	-	2,433

Capital Work in progress mainly comprises of ongoing projects in various plants constituting Plant & Machinery and Buildings.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

5 OTHER INTANGIBLE ASSETS

	Computer Software	Product Development	Supply Agreement	Total	Goodwill	Total
Gross carrying amount						
As at beginning of April 01, 2020	157	29	324	510	828	1,338
Additions	43	-	-	43	-	43
As at March 31, 2021	200	29	324	553	828	1,381
Additions	38	82	-	120	-	120
As at March 31, 2022	238	111	324	673	828	1,501
Accumulated amortisation						
As at beginning of April 01, 2020	76	9	16	101	-	101
Amortisation charge during the year	25	5	65	95	-	95
As at March 31, 2021	101	14	81	196	-	196
Amortisation charge during the year	35	11	64	110	-	110
As at March 31, 2022	136	25	145	306	-	306
Net Carrying Amount						
As at March 31, 2021	99	15	243	357	828	1,185
As at March 31, 2022	102	86	179	367	828	1,195

* The goodwill 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 16% per annum for Isagro Cash generating Unit and 15% 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, 2020	336
Additions	60
Disposal/Adjustments	(16)
Amount recognised under Intangible assets	-
As at March 31, 2021	380
Additions	209
Disposal/Adjustments	-
Amount recognised under Intangible assets	(82)
As at March 31, 2022	507

The value-in-use of intangible assets under development is higher than the carrying amount.

a. 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 years	1-2 years	2-3 years	More than 3 years	
Projects in Progress	205	60	80	162	507
Projects Temporarily suspended	-	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount 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 years	1-2 years	2-3 years	More than 3 years	
Product development projects (Completion Overdue)	16	60	35	-	111
Total	16	60	35	-	111

b. Intangible Ageing Schedule as on March 31, 2021

1) Ageing of Intangible assets under development

IA under development	Amount in Capital work in progress for a period of				Total
	Less than 1 years	1-2 years	2-3 years	More than 3 years	
Projects in Progress	67	87	75	151	380
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 years	1-2 years	2-3 years	More than 3 years	
Product development projects (Completion Overdue)	72	-	40	-	112
Total	72	-	40	-	112

7 FINANCIAL ASSETS

7(a) NON-CURRENT INVESTMENTS

	As at March 31, 2022			As at March 31, 2021		
	Face value (in ₹)	No. of Shares	Amount	Face value (in ₹)	No. of Shares	Amount
Investment in equity instruments (fully paid up)						
1) Quoted at FVTPL						
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	3	10	976	2
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	1
			9			7
2) Unquoted						
a) Ciba CKD Biochem Limited	10	100	0	10	100	0
b) PI Collabotech Inc.(in JPY)	291,545	343	65	291,545	343	65
c) Investment in Ifonic India Pvt Ltd.			5			5
Less: Provision for diminution in value of investment			(23)	(23)		(23)
			47			47
TOTAL			56			54

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

	As at March 31, 2022			As at March 31, 2021		
	Face value (in ₹)	No. of Shares	Amount	Face value (in ₹)	No. of Shares	Amount
Investment in Deposits with Financial Institution						
Unquoted Deposits						
Deposit with Financial Institution having remaining maturity of more than 12 months			202			-
TOTAL			258			54
Aggregate amount of quoted investments and market value thereof			9			7
Aggregate amount of un-quoted investments			272			70
Aggregate amount of impairment in the value of investments			(23)			(23)

7(b) CURRENT INVESTMENTS

	As at March 31, 2022		As at March 31, 2021	
	Face value (in ₹)	No. of Shares	Face value (in ₹)	No. of Shares
Investment in mutual funds at FVTPL (Refer Note 43)				
Quoted				
a) SBI Short Term Debt Fund - Direct Plan - Growth Fund Nil (March 31, 2021 : 4,373) Units		-		21
b) Axis Liquid Fund-Direct Plan- Growth 93,938 (March 31, 2021 : 93,938) Units		222		215
c) Nippon India Liquid Fund-Direct Plan- Growth 133,007 (March 31, 2021 : 133,007) Units		693		669
d) HDFC Ultra Short Term Fund-Direct Plan- Growth 172,861,190 (March 31, 2021 : 172,861,190) Units		2,146		2,064
e) SBI Magnum Ultra Short Duration Fund-Direct Plan-Growth 435,559 (March 31, 2021 : 435,559) Units		2,133		2,055
f) Aditya Birla SL Money Manager Fund-Direct Plan- Growth 3,581,964 (March 31, 2021 : 3,581,964) Units		1,071		1,029
g) Kotak Money Market Fund(G)-Direct Plan 294,745 (March 31, 2021 : 294,745) Units		1,067		1,027
TOTAL		7,331		7,080
Investment in Deposits with Financial Institution				
Unquoted Deposits				
Deposit with Financial Institution having a remaining maturity of less than 12 months			1,216	1,437
Quoted				
Aggregate amount of quoted investments and market value thereof			7,331	7,080
Aggregate amount of impairment in the value of investments			-	-
Unquoted				
Aggregate amount of Unquoted investments			1,216	1,437
Aggregate amount of impairment in the value of investments			-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

7(c) LOANS

	Non- Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good unless stated otherwise				
Loans and advances to related parties (Refer Note 35)	-	-	2	2
Other loans and advances				
Employee advances				
Considered good	-	-	4	6
Doubtful	-	-	5	3
Less: Allowance for doubtful employee advances	-	-	(5)	(3)
Other miscellaneous advances*	-	-	24	62
TOTAL	-	-	30	70

* Includes amount due from Directors amounting to ₹ Nil (March 31, 2021 ₹ 5).

Classification of current and non current loans :

	As at March 31, 2022	As at March 31, 2021
Loans considered good- Secured	-	-
Loans considered good- Unsecured	30	70
Loans which have significant increase in credit risk	-	-
Loans- credit impaired	5	3
Total Loans	35	73
Less: loss allowance	(5)	(3)
TOTAL	30	70

7(d) TRADE RECEIVABLES

	As at March 31, 2022	As at March 31, 2021
Trade receivables	9,242	7,525
Receivables from related parties (Refer note 35)	144	5
Less: Allowance for doubtful debts	(699)	(495)
TOTAL	8,687	7,035
Current portion	8,687	7,035
Non-current portion	-	-
Break up of security details		
Trade receivables considered good- Secured	-	-
Trade receivables considered good- Unsecured*	8,687	7,035
Trade receivables which have significant increase in credit risk	-	-
Trade receivables- credit impaired	699	495
	9,386	7,530
Less: Allowance for doubtful debts	(699)	(495)
TOTAL	8,687	7,035

Refer note 41 for information on trade receivables pledged as security by the Group.

* Trade Receivable include amount due from Related Parties amounting to ₹ 144 (March 31, 2021 ₹ 5)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

Trade Receivable ageing as at March 31, 2022

Particulars	Outstanding for following periods from Due date							Total
	Unbilled	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		(39)	(91)	(34)	(74)	(129)	(332)	(699)
Net Total		5,899	2,593	147	48	-	-	8,687

Trade Receivable ageing as at March 31, 2021

Particulars	Outstanding for following periods from Due date							Total
	Unbilled	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	-	5,141	1,701	174	125	71	52	7,264
Which have significant increase in Credit Risk	-	-	-	-	-	-	-	-
Credit Impaired	-	-	-	-	-	-	-	-
Disputed trade receivables								
Considered Good	-	-	-	-	-	-	-	-
Which have significant increase in Credit Risk	-	-	-	-	-	-	-	-
Credit Impaired	-	-	0	-	13	66	187	266
Total		5,141	1,701	174	138	137	239	7,530
Less Allowance for doubtful debts		(35)	(19)	(27)	(38)	(137)	(239)	(495)
Net Total		5,106	1,682	147	100	-	-	7,035

7(e) CASH AND CASH EQUIVALENTS

	As at March 31, 2022	As at March 31, 2021
i. Cash & Cash Equivalents		
Balance with banks		
In Current Accounts	876	222
In EEFC account	534	350
Cash on hand	0	2
Deposits with original maturity of less than 3 months	2,096	522
TOTAL	3,506	1,096

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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

7(f) BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at March 31, 2022	As at March 31, 2021
In deposit accounts held as margin money	-	160
Fixed deposits with bank (refer note 43)	10,582	13,458
In unclaimed dividend accounts *	5	43
Unspent Corporate Social Responsibility**	9	-
TOTAL	10,596	13,661

* Not available for use by the Company as they represent corresponding unclaimed dividend liabilities.

** Amount to be spent on ongoing projects.

7(g) OTHERS FINANCIAL ASSETS

	Non- Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<i>Unsecured, considered good unless stated otherwise</i>				
Security deposits	60	67	32	33
<i>Considered good unless stated otherwise</i>				
Interest and other charges recoverable from customers				
- Considered good	-	-	1	35
- Doubtful	-	-	117	101
Less: Allowance for doubtful debts	-	-	(117)	(101)
Deposits lodged with Excise & Sales Tax department	57	32	-	-
Deposit accounts held as margin money	21	20	-	-
Deposits with more than 12 months remaining maturity	1,483	35	-	2
Insurance Claims Recoverable	-	-	103	100
Derivative financial instruments - foreign exchange forward contracts	273	192	316	292
TOTAL	1,894	346	452	462

7(h) CONTRACTS ASSETS (CURRENT)

	Non- Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Contract assets*	--	--	1,331	1,482
TOTAL	--	--	1,331	1,482

*Recoverable from customers towards goods manufactured exclusively for customers (Refer note 3(h)).

8 INVENTORIES

	As at March 31, 2022	As at March 31, 2021
Raw materials {includes stock-in-transit ₹ 1,199 (March 31, 2021 : ₹ 1,494)}	8,499	6,833
Work in progress	3,080	1,004
Finished goods * {includes stock-in-transit ₹ 63 (March 31, 2021 : ₹ 46)}	1,533	1,676
Stock in trade * {includes stock-in-transit ₹ Nil (March 31, 2021 : Nil)}	442	355
Stores & spares {includes stock-in-transit ₹ Nil (March 31, 2021 : ₹ 5)}	680	660
TOTAL	14,234	10,528

* The cost of inventories recognised as an expense on account of provision of obsolete/ slow and non moving inventories amounting to ₹ 136 (March 31, 2021: ₹ 79)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

9 INVESTMENTS IN ASSOCIATE AND JOINT VENTURE

	As at March 31, 2022	As at March 31, 2021
Investment in Unquoted Equity Instruments*		
Solinnos Agro Sciences Private Limited (Associate)**	7	7
PI Kumiai Private Limited (Joint Venture)***	183	146
TOTAL	190	153

* 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, 2022	As at March 31, 2021
Aggregate carrying amount of individually immaterial associate and joint venture	190	153
Aggregate amounts of the group's share of:		
Profit/(loss) from continuing operations	36	44
Total comprehensive income	36	44

10 OTHER ASSETS

	Non- Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Considered good unless stated otherwise				
Capital advances				
Considered good	75	82	-	-
Doubtful	1	2	-	-
Less: Allowance for doubtful advances	(1)	(2)	-	-
Advances to vendors				
Considered good	-	-	708	377
Doubtful	-	-	30	32
Less: Allowance for doubtful advances	-	-	(30)	(32)
Balance with Government Authorities**	-	22	692	1,023
Prepayments	5	4	113	101
Export incentive receivables	-	-	576	411
Right to recover returned goods	-	-	167	168
Other miscellaneous advances*	45	38	-	-
TOTAL	125	146	2,256	2,080

* Other miscellaneous advances includes amount of ₹ 40 (March 31, 2021 ₹ 34) deposited with Sales Tax and Custom Authorities under protest.

** Balance with Central Excise Authorities includes amount of ₹ 21 (March 31, 2021 ₹ 21) deposited with Excise Duty authorities under protest.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

11 NON - CURRENT TAX ASSETS

	As at March 31, 2022	As at March 31, 2021
Advance income tax (Net of provision for income tax ₹ 5,503{March 31, 2021 ₹ 5,493})	135	132
TOTAL	135	132

12 EQUITY SHARE CAPITAL

	As at March 31, 2022	As at March 31, 2021
Authorised Shares*		
888,000,000 (March 31, 2021 : 723,000,000) Equity Shares of ₹1 each (March 31, 2021 : ₹ 1 each)	888	723
	888	723
Issued Shares		
151,894,693 (March 31, 2021 : 151,894,693) Equity Shares of ₹1 each (March 31, 2021 : ₹ 1 each)	152	152
	152	152
Subscribed & Fully Paid up Shares		
151,718,118 (March 31, 2021 : 151,718,118) Equity Shares of ₹1 each (March 31, 2021 : ₹ 1 each)	152	152
Total subscribed and fully paid up share capital	152	152
Own Shares held by ESOP Trust		
Less: 55,821 (March 31, 2021 : 89,263) Equity Shares of ₹1 each (March 31, 2021 : ₹ 1 each) (Refer Note 31)	(0)	(0)
Net subscribed and fully paid up share capital (151,662,297 (March 31, 2021 : 151,628,855) equity share of ₹ 1 each (March 31, 2021 : ₹ 1 each))	152	152

* Pursuant to the merger of Isagro (Asia) Agrochemicals Private Limited into the Company, the Authorised share capital of the Company has increased to give effect to the merger. The

- The difference between the issued and subscribed capital is on account of less number of shares allotted in right issue in earlier years.
- 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, 2021 ₹ 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.

- 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: -

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
Opening balance	89,263	0	148,857	0
Adjustment on consolidation of ESOP Trust during the year	-	-	4,683	0
Exercised during the year	33,442	0	64,277	0
Closing balance	55,821	0	89,263	0

- Issue of Shares under employee stock option (ESOP) Scheme**

During the year ended March 31, 2022, the Company has issued Nil equity shares of ₹ 1 each (March 31, 2021 4,683 equity shares of ₹ 1 each), 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 33,442 equity shares of face value of ₹ 1 each (March 31, 2021 64,277 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, 2022, 55,821 equity shares of face value of ₹ 1 per share (March 31, 2021 89,263 of face value of ₹ 1 each) are pending to be allocated to employees upon exercise of Stock Option. (Refer Note 31)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

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	
	2021-22	2020-21	2020-21	2019-20
Share outstanding at beginning of period	151,894,693	138,284,568	152	138
Shares issued under employee stock option scheme	-	4,683	0	-
Shares issued under Qualified Institutional Placement (Refer note 43)	-	13,605,442	-	14
Share outstanding at end of period	151,894,693	151,894,693	152	152

Subscribed & paid up

Equity Shares

	Equity Share (No. of Shares)		Value of Equity Shares	
	2021-22	2020-21	2020-21	2019-20
Share outstanding at beginning of period	151,684,676	138,107,993	152	138
Less: Shares held by ESOP Trust	55,821	148,857	0	0
Share outstanding at beginning of period (net)	151,628,855	137,959,136	152	138
Shares issued by ESOP Trust	33,442	64,277	0	0
Shares issued under Qualified Institutional Placement (Refer note 43)	-	13,605,442	-	14
Share outstanding at end of period (net)	151,662,297	151,628,855	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

Name of Shareholders	2021-22		2020-21	
	No of Shares	% of Holding	No of Shares	% of Holding
Mr. Salil Singhal	8,554,857	5.64	8,554,857	5.64
Ms. Madhu Singhal	21,560,500	14.21	21,560,500	14.21
Mr. Mayank Singhal	32,028,510	21.11	32,028,510	21.11
Ms. Pooja Singhal	8,665,550	5.71	8,665,550	5.71

Details of shareholding by promoters

Name of Promoters	As on March 31, 2022			As on March 31, 2021		
	Number of Shares	Percentage total number of shares	Percentage of change during the year	Number of Shares	Percentage total number of shares	Percentage of change during the year
Mr. Mayank Singhal	32,028,510	21.11	-	32,028,510	21.11	2.08
Ms. Madhu Singhal	21,560,500	14.21	-	21,560,500	14.21	1.40
Ms. Pooja Singhal	8,665,550	5.71	-	8,665,550	5.71	0.56
Mr. Salil Singhal	8,554,857	5.64	-	8,554,857	5.64	0.55
Ms. Shefali Khushalani	111,057	0.07	-	111,057	0.07	0.01
Mr. Salil Singhal (Holding as a trustee in SVVK Family Benefit Trust)	20	0.00	-	20	0.00	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

13 OTHER EQUITY

	As at March 31, 2022		As at March 31, 2021	
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. Capital redemption reserve				
Balance at the beginning of the financial year	4		4	
Addition during the Financial year	-	4	-	4
Deduction during the financial year				
c. Securities premium reserve				
Balance at the beginning of the financial year	21,999		2,249	
Add: Premium on issue of Qualified Institutional Placement (QIP) (refer note 43)	-		19,986	
Less: Share issue expenses on Qualified Institutional Placement (QIP) (refer note 43)	-		(250)	
Add: Premium on issue of equity shares through ESOP	-	21,999	14	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. Share option outstanding account				
Balance at the beginning of the financial year	-		42	
Less: Expense on employee stock option scheme	-		(31)	
Less: Shares issued under employee stock option scheme	-	-	(11)	-
Represents the liability arising out of options issued to employees under Employee stock option scheme until the shares are issued (Refer Note 31).				
e. General reserve		1,857		1,857
f. Surplus in statement of profit & loss				
Balance at the beginning of the financial year	29,171		22,389	
Addition during the financial year	8,438		7,383	
Add: Remeasurement gain / (loss) on defined benefit plans through OCI	2		5	
Less: Interim dividend (refer note 14)	(455)		(455)	
Less: Final dividend (refer note 14)	(303)		(151)	
Less: Dividend distribution tax on equity shares	-	36,853	-	29,171
g. Own shares held by ESOP Trust				
Balance at the beginning of the financial year	(51)		(87)	
Add: Shares bought by the Trust during the year	-		(4)	
Less: Shares issued to employees by the trust during the year	18	(33)	40	(51)
Items of other comprehensive income				
h. Cash flow hedge reserve				
Balance at the beginning of the financial year	274		(420)	
Add: Other comprehensive income for the financial year	81	355	694	274
The Company uses hedging instruments as part of its management of foreign currency risk associated with its highly probable forecast sale. For hedging foreign currency risk, the Company uses foreign currency forward contracts which is designated as cash flow hedges. To the extent these hedges are effective; the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to profit or loss when the hedged item (sales) affects profit or loss.				
i. Foreign currency translation reserve				
Balance at the beginning and end of the financial year	3		4	
Other comprehensive income for the year	(1)	2	(1)	3
		61,052		53,272

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

14 DISTRIBUTION MADE AND PROPOSED

	As at March 31, 2022	As at March 31, 2021
A Dividends declared and paid:		
Final dividend (March 31, 2022 pertains to financial year 2020-21 and March 31, 2021 pertains to financial year 2019-20)	303	151
Interim dividend (March 31, 2022 pertains to financial year 2021-22 and March 31, 2021 pertains to financial year 2020-21)	455	455
Total dividends	758	606
B Dividends not recognised at the end of the reporting period		
In addition to the above dividends, subsequent to the year end the Board of Directors have recommended a final dividend of ₹ 3 per fully paid equity share (March 31, 2021 ₹ 2). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	455	303

15 FINANCIAL LIABILITIES

15(a) BORROWINGS

	Non- Current		Current*	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Secured				
Term Loans - From Banks				
Foreign Currency Loans from Banks at amortised cost	2,678	3,279	979	705
Less Current maturities of Foreign Currency Loans from Banks at amortised cost	(970)	(701)	-	-
Less: Interest accrued but not due on borrowings (included in Note 15(d))	(9)	(4)	-	-
TOTAL	1,699	2,574	979	705

* Includes Interest accrued but not due on borrowings

a. Foreign currency loans includes:

External commercial borrowings (ECB) from HSBC Bank, Singapore amounting to USD 35.36 MN (March 31, 2021 USD 45.0 MN) carrying interest rate of 3 months LIBOR plus 1.25% is outstanding as on March 31, 2022. The balance borrowing from HSBC Bank, Singapore is repayable in 11 (Eleven) {(March 31, 2021 14 (Fourteen))} equal quarterly instalments of USD 3.21 MN (March 31, 2021 USD 3.21 MN) each. The maturity date of the loan is October 10, 2024. The loan is 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). The loan was taken for the purpose of capital expenditure for two multi purpose plant designated as MPP 10 and MPP 11 at sterling SEZ in Jambusar, District, Gujarat. (refer note 41)

b. As on the Balance sheet date there is no default in repayment of loans and interest.

c. Changes in liabilities arising from financing activities

	As at March 31, 2022	As at March 31, 2021
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)	(705)
Non-current portion of long term financial borrowings	(1,699)	(2,574)
Interest accrued but not due on borrowings	-	-
TOTAL	(2,678)	(3,279)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

	Amount	Amount
Balance as at the beginning of the year	(3,279)	(4,103)
Foreign exchange adjustments	(110)	125
Interest expense	(54)	(183)
Interest paid	49	190
Amortisation of Prepaid Processing Charges on Term Loan	(4)	(11)
Loan taken	-	(1,145)
Re-payments	720	1,848
Balance as at the end of the year	(2,678)	(3,279)

d. Loan covenants

Under the terms of the major borrowing facilities, the holding Company is required to comply with the following financial covenants :

- the Debt service coverage ratio (DSCR) must be higher than 2. [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)]
- Fixed assets coverage ratio (FACR) must be higher than 1.25 [Fixed assets coverage ratio = (Hypothecated Movable Fixed Assets (net book value) + Immovable assets mortgaged (book value))/ (secured loan outstanding)]
- External Debt/EBIDTA to be maintained below 2.5. [Total debt or borrowings/ EBIDTA]
- External gearing to be maintained below 2.[Total debt or borrowings /Tangible net worth]

The holding Company complied with these ratios throughout the reporting period. As at March 31, 2022 Debt service coverage ratio was 14.57 (March 31, 2021 4.42), Fixed assets coverage ratio was 5.43 (March 31 2021 4.94), External Debt/EBIDTA was 0.25 (March 31 2021 0.33) and external gearing ratio was 0.05 (March 31, 2021 0.07) .

- There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.
- 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.
- The Company has borrowings from banks on the basis of security of current assets. The Company has complied with the requirement of filing of monthly/ quarterly returns/statements of current assets with the banks, as applicable, and these returns were in agreement with the books of accounts for the year ended March 31, 2022.

15(b) TRADE PAYABLES

	As at March 31, 2022	As at March 31, 2021
Trade payables		
-Due to micro and small enterprises (Refer Note 36)	260	319
-Other trade payables*	8,982	7,641
TOTAL	9,242	7,960

* Other trade payable includes amount due to related parties amounting to ₹ 82 (March 31, 2021 ₹ 27)

Trade Payable ageing as on March 31, 2022

Particulars	Outstanding for following periods from Due Date						Total
	Unbilled	Not Due	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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

Trade Payable ageing as on March 31, 2021

Particulars	Outstanding for following periods from Due Date						Total
	Unbilled	Not Due	Less than 1 years	1-2 years	2-3 years	More than 3 Years	
Undisputed trade payables							
Micro enterprises and small enterprises	-	210	109	-	-	-	319
Others	-	6,144	1,489	2	3	3	7,641
Disputed trade payables							
Micro enterprises and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
TOTALS	-	6,354	1,598	2	3	3	7,960

15(c) OTHER FINANCIAL LIABILITIES

	Non- Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Employee payables*	-	-	553	787
Security deposits from dealers	287	273	-	-
Security deposits from contractors	3	2	1	2
Unclaimed dividends	-	-	5	43
Unspent CSR	-	-	9	-
Creditors for capital purchases	-	-	311	484
Other payable **	-	-	1,109	1,172
TOTAL	290	275	1,988	2,488

* This includes due to Directors amounting to ₹ 107 (March 31, 2021 ₹166)

** This includes due to non-executive/ independent Directors amounting to ₹ 33 (March 31, 2021 : ₹ 33)

15(d) Deferred Lease Liabilities

	Non- Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Deferred Lease Liabilities	281	284	204	165
TOTAL	281	284	204	165

a Changes in liabilities arising from financing activities- Deferred lease liabilities :-

	As at March 31, 2022	As at March 31, 2021
Balance as at the beginning of the year	449	505
Interest expense	43	46
Addition- lease liabilities	347	146
Deletion - lease liabilities	(144)	-
Lease rental paid	(210)	(248)
Balance as at the end of the year	485	449

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

16 PROVISIONS

	Non- Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits				
Long term compensated absences	5	-	138	185
Gratuity (Refer Note no. 30)	75	96	6	6
	80	96	144	191
Provisions for legal claims	-	-	133	265
	-	-	133	265
TOTAL	80	96	277	456

(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 ₹ 138 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, 2022	As at March 31, 2021
Leave obligations not expected to be settled within the next 12 months	138	125

(i) Information about provisions for legal claims

- Government of Rajasthan issued a notification resulting into an excise liability of ₹ 4 (March 31, 2020: ₹ 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.
- 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, 2022 provision for excise duty is ₹ 128 (March 31, 2021 ₹128) . Case is pending before Tribunal of Excise & Customs, Ahmedabad.
- An objection was raised by the custom department on classification of one of the imported raw materials resulting in demand of differential custom duty. The Company filed an appeal against the order and is clearing the goods after furnishing of bank guarantee for differential duty against each import of such raw material. As on March 31, 2022 total differential custom duty demand is Nil (March 31, 2021: ₹ 132) . During the year, the case has been decided in favour of the Company.

(ii) Movement in other provisions

	Legal claims
As at March 31, 2020	260
Provisions made during the year	5
As at March 31, 2021	265
Provisions made during the year	-
Provision reversed during the year	(132)
As at March 31, 2022	133

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

17 DEFERRED TAX (ASSETS) / LIABILITIES

The balance comprises temporary differences attributable to:		As at March 31, 2022	As at March 31, 2021
Deferred tax liabilities			
Property, plant and equipment		2,445	2,053
Other comprehensive income items			
- Effective portion on cash flow hedges		180	137
Unrealised gain on mutual fund		161	67
Right to use assets		124	140
	A	2,910	2,397
Deferred tax assets			
Provision for employee benefits		(58)	(68)
Other provisions		(18)	(59)
Intangible assets		(19)	14
Other financial liabilities		(7)	(6)
Trade receivables		(233)	(166)
Deferred lease liabilities		(129)	(148)
Other comprehensive income items			
- Remeasurements on defined benefit plans		(21)	(23)
- Exchange difference on translation of foreign operations		1	1
Others		(37)	(65)
Minimum alternate tax (MAT) credit entitlement		(1,514)	(1,081)
	B	(2,035)	(1,601)
Net deferred tax (assets)/ liabilities	Total	875	796

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
Deferred 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

Movement in deferred tax:	As at March 31, 2020	Recognized in P&L	Recognized in OCI	Other Adjustments**	As at March 31, 2021
Deferred tax liabilities					
Property, plant and equipment	1,507	546	-	-	2,053
Intangible assets	14	(0)	-	-	14
Other comprehensive income items					
- Effective portion on cash flow hedges	(236)	-	373	-	137
Unrealised gain on mutual fund		67			67
Right to use assets		140			140
Sub- Total (a)	1,285	753	373	-	2,411
Deferred tax assets					
Provision for employee benefits	58	10	-	-	68
Other provisions	64	(5)	-	-	59
Other financial liabilities	7	(1)	-	-	6
Trade receivables	169	(3)	-	-	166
Deferred lease liabilities	-	148			148
Other comprehensive income items					
- Remeasurements on defined benefit plans	25	-	(2)	-	23
- Effective portion on cash flow hedges	-	-	-	-	-
-Exchange difference on translation of foreign operations	(1)	-	(0)	-	(1)
Others	71	(6)	-	-	65
Minimum alternate tax (MAT) credit entitlement	790	361	-	(70)	1,081
Sub- Total (b)	1,183	504	(2)	(70)	1,615
Net deferred tax liability (a)-(b)	102	249	375	70	796

* Actualisation on MAT credit utilisation for the FY 2020-21 on the basis of return filed included in income tax of earlier years.

** Actualisation on MAT credit utilisation for the FY 2019-20 on the basis of return filed included in income tax of earlier years.

18 OTHER LIABILITIES

	Non- Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Advance from customers	-	-	298	289
Refund/ Return liabilities*	-	-	300	307
Statutory dues payable	-	-	100	135
TOTAL	-	-	698	731

* 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 ₹ 300 (March 31, 2021: ₹ 307). The Company has also recognised a right to recover the returned goods ₹ 167 (March 31, 2021: ₹ 168). 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, 2022	As at March 31, 2021
Provision for Income Tax (Net of Advance Income Tax ₹ 6,559 {March 31, 2021 ₹ 4,805})	94	65
TOTAL	94	65

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

20 REVENUE FROM OPERATIONS

	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from contracts with customers:		
a) Sale of products	52,491	45,100
b) Sale of services	33	100
Other operating revenues:		
Scrap sales	102	134
Export incentives	369	436
Revenue From Operations (Net)	52,995	45,770

	Year ended March 31, 2022	Year ended March 31, 2021
Reconciliation of revenue recognised with the contract price:		
Contract Price	54,970	47,642
Adjustments for:		
Refund liabilities	(300)	(307)
Discount/Incentives	(2,179)	(2,235)
Revenue from Operations	52,491	45,100

Critical judgements in revenue :

The group has recognised Provision for discounts and sales returns amounting to ₹ 826 from sale of products to various customers during the year ended March 31, 2021 (March 31, 2020 ₹ 764). 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.

21A OTHER INCOME

	Year ended March 31, 2022	Year ended March 31, 2021
Interest Income from financial assets at amortised cost	665	541
Unwinding of discount on security deposits	6	11
Net gain/ (loss) on sale of Plant, property and equipment ;	-	1
Net gain on financial assets measured at fair value through profit or loss		
-Realised Gain	0	50
-Unrealised Gain/ (Loss)	277	188
Net foreign exchange differences	-	444
Less: transferred to capital work in progress	-	(117)
Provision for bad and doubtful debts and advances no longer required	-	39
Miscellaneous Income	66	92
TOTAL	1,014	1,249

21B CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

	Year ended March 31, 2022	Year ended March 31, 2021
Closing 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	168
Opening balance		
Finished Goods	1,676	541
Stock in trade	355	466
Work in Progress	1,004	1,138
Right to recover returned goods (Refer Note 10)	168	52
TOTAL	(2,019)	(1,006)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

22 EMPLOYEE BENEFIT EXPENSE

	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, wages and bonus	4,454	4,121
Contribution to provident & other funds (Refer Note 30)	172	158
Gratuity (Refer Note 30)	64	72
Long term compensated absences	32	43
Employees Welfare Expenses	181	180
Expense/(Reversal) on Employee Stock Option Scheme (Refer Note 31)	-	(31)
	4,903	4,543
Less: transferred to capital work in progress	99	374
TOTAL	4,804	4,169

23 OTHER EXPENSES

	Year ended March 31, 2022	Year ended March 31, 2021
Power, Fuel & Water	1,531	1,272
Consumption of stores & spares	381	345
Repairs & Maintenance		
- Buildings	83	69
- Plant and machinery	389	353
- Others	268	203
Environment & Pollution Control expenses	1,038	746
Laboratory & Testing Charges	288	329
Freight & Cartage	825	559
Advertisement & Sales Promotion	506	347
Travelling and conveyance	483	338
Rental charges {Refer note 32 (c)}	114	76
Rates and taxes	66	48
Insurance	170	140
Donation	5	55
Payment to auditors {Refer note 23 (a) below}	9	12
Telephone and communication charges	71	46
Provision for Bad and Doubtful debts & Advances	225	0
Bad Trade Receivables written off	-	21
Director sitting fees and commission	37	16
Legal & professional fees	474	324
Net foreign exchange differences	31	-
Bank charges	72	58
Corporate social responsibility expenditure {Refer note 24 below}	140	114
Miscellaneous Expenses	347	327
	7,553	5,799
Less: transferred to capital work in progress	14	32
TOTAL	7,539	5,767
a. Auditors' Remuneration #		
-Audit Fees	7	7
- Limited Review Fees	2	3
-Certificates	0	2
-Reimbursement of expenses	0	0
TOTAL	9	12

Excluding fees relating to Qualified institutional placement amounting to ₹ Nil (March 31, 2021 ₹ 13), debited to securities premium reserve.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

24 CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

	Year ended March 31, 2022	Year ended March 31, 2021
Amount required to be spent by the Company during the year	140	114
Amount of expenditure incurred	140	114
Amount of Shortfall for the year	-	-
Amount of Cumulative shortfall at the end of the year	-	-

Disclosures in relation to corporate social responsibility expenditure

Particular	Year ended March 31, 2022	Year ended March 31, 2021
Contribution to PI foundation	140	114
Accrual towards unspent obligations in relation to:		
On going projects	-	-
Other than ongoing projects	-	-

Details of ongoing CSR projects under Section 135(6) of the Act

Balance as at 1 April 2021		Amount required to be spent during the year	Amount spent during the year		Balance as at 1 April 2022	
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
-	16	140	98	7	-	51

Note 1- The Group has transferred required amount to PI Foundation amounting to INR 140 (Previous Year : INR 114) out of which INR 42 (Previous Year : INR 16) has been refunded back to the Company in April 2022 (Previous Year : April 2021) as the amount was not spent by PI Foundation.

Details of CSR expenditure under Section 135 (5) of the Act in respect of other than ongoing projects

Balance unspent as at 1 April 2021	Amount deposited in specified fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at 31 March 2022
-	-	-	-	-

Details of excess CSR expenditure under Section 135 (5) of the Act

Balance excess spent as at 1 April 2021	Amount required to be spent during the year	Amount required to be spent during the year	Balance excess spent as at 31 March 2022
-	-	-	-

25 DEPRECIATION AND AMORTIZATION EXPENSES

	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation of property, plant and equipment (Refer Note 4)	1,725	1,461
Amortization of right-of-use- assets (Refer Note 4)	183	192
Amortization of Intangible Assets (Refer Note 5)	110	95
TOTAL	2,018	1,748

26 FINANCE COST

	Year ended March 31, 2022	Year ended March 31, 2021
Interest on financial liabilities measured at amortised cost	90	234
Interest and finance charges on lease liability	38	47
Other borrowing costs	-	1
TOTAL	128	282

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

27 INCOME TAX EXPENSE

	Year ended March 31, 2022	Year ended March 31, 2021
a) Income tax expense recognized in Profit and Loss		
Current tax expense		
Current tax on profits for the year	1,847	1,689
Adjustment of current tax for prior year periods	103	64
Total Current tax expense	1,950	1,753
Deferred tax expense		
(Decrease) / Increase in Deferred tax liability	470	753
Decrease / (Increase) in Deferred tax assets	(530)	(504)
Net Deferred tax expense /(Income)	(60)	249
Total Income tax expense	1,890	2,002
b) Deferred tax related to items recognised in Other comprehensive income during the year		
	Year ended March 31, 2022	Year ended March 31, 2021
Remeasurement of defined benefit plans	2	2
Effective portion on cash flow hedges	43	373
Exchange difference on translation of foreign operation	1	(0)
Income tax charged to Other comprehensive income	46	375
c) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate		
	Year ended March 31, 2022	Year ended March 31, 2021
Accounting profit before tax	10,328	9,385
Tax at India's statutory income tax rate @ 34.944% (March 31, 2021: 34.944%)	3,610	3,280
Adjustment in respect of current income tax of previous years	103	64
Effect of concessions (expenditure on research and development)	-	-
Effect of income that is exempt from taxation (operations in tax free zone)	(1,826)	(1,340)
Effect of lower income tax rate	-	-
Effect of amounts which are not deductible in calculating taxable income	3	(2)
Income Tax Expense	1,890	2,002
d) Unrecognized temporary differences		
	Year ended March 31, 2022	Year ended March 31, 2021
Temporary difference relating to investments in subsidiaries for which deferred tax liabilities have not been recognised:		
Undistributed earnings	720	2,607
Unrecognised deferred tax liabilities relating to the above temporary differences @ 34.944% (March 31, 2021: 34.944%)	252	911

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.

28 RESEARCH & DEVELOPMENT EXPENSES

Details of Expenditure on Research & Development Facilities/ division of the group recognised by Department of Scientific & Industrial Research

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

a) Revenue Expenditure

	Year ended March 31, 2022	Year ended March 31, 2021
Other Income	0	0
TOTAL	0	0
Employee Benefit Expenses	480	449
Salaries, Wages & Bonus	40	29
Contributions to Provident & other funds	13	7
Employee Welfare Expenses	533	485
	130	140
Raw & Packing Materials Consumed		
Other Expenses		
Laboratory & testing Material	68	78
Power, Fuel & Water	47	47
Consumption of stores & spares	31	79
Testing & analysis	40	50
Travelling & conveyance	18	11
Rates and taxes	0	0
Printing & Stationery	1	0
Bank Charges	0	0
Legal & professional fees	54	39
Miscellaneous Expenses	114	72
	373	376
Depreciation		
Depreciation	153	132
TOTAL	1,189	1,133
Total Expenditure	1,189	1,133

b) Capital Expenditure

Description	Year ended March 31, 2022	Year ended March 31, 2021
Buildings	2	10
Equipment's & Others	183	225
TOTAL	185	235

29 EARNING PER SHARE

	Year ended March 31, 2022	Year ended March 31, 2021
a) Net Profit for Basic and Diluted EPS	8,438	7,383
b) Number of Equity Shares at the beginning of the year	151,718,118	138,107,993
Add: Issue of Shares under ESOP/QIP	-	13,610,125
Sub-total	151,718,118	151,718,118
Less: Adjustment of own shares held under ESOP Trust	(55,821)	(89,263)
Total Number of Shares outstanding at the end of the Period	151,662,297	151,628,855
Weighted Average number of Equity Shares outstanding during the period - Basic	151,643,525	147,899,278
Add: Weighted Average number of Equity Shares arising out of grant of Employee Stock option	58,403	88,726
Weighted Average number of Equity Shares outstanding during the year - Diluted	151,701,927	147,988,004
Earning Per Share - Basic (₹)	55.65	49.92
Earning per share - Diluted (₹)	55.63	49.89
Face value per share (₹)	1.00	1.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount 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 ₹ 172 (Previous Year ₹ 158) 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, 2022		Year ended March 31, 2021	
	Gratuity		Gratuity	
	Funded	Non-funded	Funded	Non-funded
Present value of obligation at the beginning of the year	451	0	409	0
On account of Acquisition (refer note 42)				
Total amount included in profit and loss*:				
- Current Service Cost	56	0	60	0
- Interest Cost	30	0	28	0
- Past Service Cost	-	-	4	-
Total amount included in OCI:				
Remeasurement related to gratuity:				
Actuarial losses/(gains) arising from:	(6)	-	(15)	-
- Demographic Assumption	6	-	(1)	-
- Financial assumption	(20)	-	1	-
- Experience Judgement	8	0	(15)	0
Others				
Benefits Paid	(54)	-	(35)	-
Present Value of obligation as at year-end	477	0	451	0

* Includes expenses reclassified to capital work in progress ₹ 3 (March 31, 2021 ₹ 6)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

II Change in Fair Value of Plan Assets during the year

	Year ended March 31, 2022	Year ended March 31, 2021
Plan assets at the beginning of the year	349	280
Included in profit and loss:		
Expected return on plan assets	22	20
Included in OCI:		
Actuarial Gain/(Loss) on plan assets	(0)	(8)
Others:		
Employer's contribution	80	92
Benefits paid	(53)	(25)
Pending claim with fund manager	(2)	(10)
Plan assets at the end of the year	396	349

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, 2022		Year ended March 31, 2021	
	Gratuity		Gratuity	
	Funded	Non-funded	Funded	Non-funded
Present Value of obligation as at year-end	477	-	451	-
Fair value of plan assets at year-end	396	-	349	-
Funded status {Surplus/(Deficit)}	(81)	-	(102)	-
Net Asset/(Liability)	(81)	-	(102)	-

IV Bifurcation of PBO at the end of the year

	Year ended March 31, 2022		Year ended March 31, 2021	
	Gratuity		Gratuity	
	Funded	Non-funded	Funded	Non-funded
1 Current Liability	6	-	6	-
2 Non-Current Liability	75	-	96	-
V Actuarial Assumptions				
1 Discount Rate	7.18%	NA	6.79%	NA
2 Expected rate of return on plan assets	7.50%	NA	7.50%	NA
3 Mortality Table	IALM (2012-14)	NA	IALM (2012-14)	NA
4 Salary Escalation	7.00%	NA	7.00%	NA

VI The expected contribution for Defined Benefit Plan for the next financial year will be ₹ 65

VII Sensitivity Analysis

	Year ended March 31, 2022		Year ended March 31, 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50 % movement)	(19)	19	(18)	18
Future salary growth (0.50 % movement)	20	(20)	19	(19)

VIII Maturity Profile of Defined Benefit Obligation

	Year ended March 31, 2022		Year ended March 31, 2021	
	Gratuity		Gratuity	
	Funded	Non-funded	Funded	Non-funded
Within the next 12 months	23	-	34	-
Between 2-5 years	121	-	113	-
Beyond 5 years	333	-	304	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

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.:- 31.44% (PY 30.67%) of the Funds are in Defensive Manager Fund and 68.55% (PY 69.33%) of the Funds are in Secure Managed Fund.
- c) Kotak Mahindra Old Mutual Life Insurance Ltd.:- 44.29% (PY 51.14%) of the Funds are in Kotak Group Bond Fund, 35.94% (PY 37.10%) of the Funds are in Kotak Group Balance Fund and 19.77% (PY 11.76%) 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.
- 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 COMEPSTATED ABSENCES

The provision for long term compensated absences covers the Group's liability for earned and sick leave, the amount of provision recognised is ₹ 143 (March 31, 2021 ₹ 185).

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 Group'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 Group to the Trust
Variation in terms of ESOP	Nil

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

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 2022

Particulars	March 31, 2022		March 31, 2021	
	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	89,263	599	2,07,178	623.36
Options Granted during the year	-	NA	-	NA
Options Forfeited / Surrendered during the year	-	-	53,638	744
Total number of shares arising as a result of exercise of options	33,442	509.54	64,277	718.37
Money realised by exercise of options (₹ Mn)	-	-	40	NA
Number of options Outstanding at the end of the year	55,821	604.49	89,263	599
Number of Options exercisable at the end of the year	55,821	604.49	89,263	599

II. Weighted Average remaining contractual life

Range of Exercise Price	March 31, 2022		March 31, 2021	
	No. of Options Outstanding	Weighted average contractual life (years)	No. of Options Outstanding	Weighted average contractual life (years)
25 to 75	-	NA	-	NA
75 to 150	373	1.34	10,717	2.34
150 to 450	750	2.47	1,520	3.47
450 to 750	54,698	3.91	77,026	5

III. Weighted average Fair Value of Options granted during the year

	March 31, 2022	March 31, 2021
Exercise price is less than market price (in ₹)*	NA	NA

* No options granted during the year ended March 31, 2022 and March 31, 2021.

IV. The weighted average market price of options exercised during the year ended March 31, 2022 is ₹ 2,930.88 (March 31, 2021 is ₹ 2,066.99).

V. Particulars	March 31, 2022	March 31, 2021
Employee Option plan expense	Nil	(31)
Reversal of liability	Nil	(11)

32 CAPITAL & OTHER COMMITMENT

	March 31, 2022	March 31, 2021
A. Estimated Amount of Contracts remaining to be executed on capital account and not provided for (Net of advances ₹ 76 (March 31, 2021: ₹ 81)	12	188
B. Export Commitment	7,630	5,873
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. From April 1, 2019, 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, 2022

(All amount in ₹ million, unless otherwise stated)

Particular	March 31, 2022	March 31, 2021
Short term Lease	65	45
Low value lease	49	31
Total (refer note 23)	114	76

Total of future minimum lease payments under non-cancellable short term operating leases for each of the following periods:

Particular	March 31, 2022	March 31, 2021
-Payable within one year	-	25
-Later than one year and not later than five years	-	48
-Later than five years	-	-
-Lease payments recognised in Statement of Profit and Loss (Refer note 23)	114	76

33 CONTINGENT LIABILITIES

	March 31, 2022	March 31, 2021
a. Claims against the Group not acknowledged as debt;*		
(refer note (i) below)		
- Sales Tax	44	45
- Excise Duty	327	149
- Income Tax	585	237
- Custom	108	-
- Other matters, including claims relating to customers, labour and third parties etc.	97	94
B Guarantees excluding financial guarantees;		
- Performance bank guarantees	377	389
c. Other money for which the Group is contingently liable		
- Letter of Credit	3,793	2,873

Notes:

- (i) Represents amounts as stated in Demand Order excluding interest and penalty

* 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-1/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 and circular No. C-1/1(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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

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, 2022	March 31, 2021
Active Ingredients and Intermediates	39,718	33,768
Formulations	12,077	11,091
Others	1,200	911
TOTAL	52,995	45,770

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):

	March 31, 2022	March 31, 2021
India	14,195	12,550
Asia (other than India)	14,628	9,463
North America	16,334	15,917
Europe	3,576	3,369
Rest of the World	4,262	4,471
TOTAL	52,995	45,770

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, 2022	March 31, 2021
India	25,979	23,567
Asia (other than India)	1	3
Europe	4	5
TOTAL	25,984	23,575

35 RELATED PARTY DISCLOSURES

Related party disclosure, as required by Indian Accounting Standard-24, is as below:

a) Nature of Related Party relationship

I - Joint Ventures, Associates and Controlled Trust:

- (a) Solinnos Agro Sciences Private Limited. Associate
 (b) PI Kumiai Private Limited. Joint Venture

II- Key Management Personnel (KMP) & their relatives with whom transactions have taken place:

(a) Key Management Personnel

Mr. Mayank Singhal	Vice Chairperson and Managing Director
Mr. Rajnish Sarna	Joint Managing Director (w.e.f. May 18, 2021) and Whole time Director (till May 17, 2022)
Dr. Raman Ramachandran	Managing Director & CEO (till December 31, 2021) Non-Executive – Non Independent Director (w.e.f. January 01, 2022)
Mr. Narayan K. Seshadri	Independent Non-Executive (Chairperson)
Mr. Pravin K. Laheri	Independent Non-Executive Director
Ms. Ramni Nirula	Independent Non-Executive Director
Mr. Arvind Singhal	Non-Executive Non Independent Director
Dr. Tanjore Soundararajan Balganes	Independent Non-Executive Director
Ms. Lisa Jane Brown	Independent Non-Executive Director (w.e.f. August 4, 2020)
Mr. Shobinder Duggal	Independent – Additional Director (w.e.f. November 12, 2021)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

(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

b) The following transactions were carried out with related parties in the ordinary course of business:

Nature of Transaction	Type of relation	2021-22		2020-21	
		Transactions during the period	Balance outstanding Dr (Cr)	Transactions during the period	Balance outstanding Dr (Cr)
Compensation to KMP					
-Short term employee benefits		273		292	
-Post employment benefits		17		10	
-Commission and other benefits to non-executive/ independent Directors	a(ii) (a)	37		16	
Total		327	(214)	318	(271)
Other transactions					
Purchase of services	a(ii)(b)	14	(2)	13	(2)
Purchase of services	a(i)(a)	-	-	-	-
Purchase of goods	a(i)(b)	594	(80)	665	(25)
Sale of services	a(i)(a)	1	0	1	-
Sale of services	a(i)(b)	78	-	122	-
Sale of goods	a(i)(b)	335	144	448	5
Rent & Power cost Received	a(i)(a)	0	-	0	-
Rent & Power cost Received	a(i)(b)	4	-	4	-
Rent & Power cost paid	a(ii)(b)	2	-	2	-
Recovery of Dues on account of expenses incurred	a(ii)(b)	-	-	-	-
Donation	a(iii)(a)	0	-	4	-
	a(iii)(b)	5	-	-	-
Dividend paid	a(ii)(a)	163	-	122	-
	a(ii)(b)	194	-	143	-
Travel & Other expenditure incurred	a(ii)(a)	26	-	5	5
	a(ii)(b)	1	-	-	-
Contribution towards CSR Activities	a(iii)	137	-	109	-
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, 2022, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2021: ₹ 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, 2022

(All amount in ₹ million, unless otherwise stated)

36 DISCLOSURES REQUIRED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006

	March 31, 2022 Amount	March 31, 2021 Amount
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end*	15	109
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	455	325
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	3	2
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	4
Interest accrued and remaining unpaid at the end of each accounting year	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	-	2

*Does not include principal amount outstanding of Rs 245 (March 31, 2021 Rs 210) 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, 2022

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 net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

March 31, 2021

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 net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
Parent								
PI Industries Limited	95.65%	52,860	95.20%	7,105	100.01%	699	95.61%	7,804
Subsidiaries Indian								
PI Life Science Limited	0.65%	360	0.75%	56	0.00%	-	0.69%	56
PILL finance and investments Limited	0.08%	46	0.05%	4	0.00%	-	0.04%	4
Jivagro Limited	3.29%	1,819	3.34%	249	(0.01%)	(0)	3.05%	249
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%	22	0.03%	2	0.00%	-	0.03%	2
Associates								
Solinnos Agro Sciences Private Limited	0.01%	7	0.00%	0	0.00%	-	0.00%	0
Joint Venture								
PI Kumiai Private Limited	0.27%	148	0.60%	44	0.00%	-	0.55%	44
Controlled Trust								
PI ESOP Trust	0.00%	1	0.03%	2	0.00%	-	0.03%	2
TOTAL	100%	55,263	100%	7,462	100%	699	100%	8,161

38 FINANCIAL INSTRUMENTS

1 Financial instruments – Fair values and risk management

A. Financial instruments by category

	Note	March 31, 2022			March 31, 2021		
		FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial assets							
Non-current assets							
Investments	7(a)	56	-	202	54	-	-
Derivative financial instruments	7(g)	-	273	-	-	192	-
Other financial asset	7(g)	-	-	1,621	-	-	154
Current assets							
Investments	7(b)	7,331	-	-	7,079	-	-
Trade receivables	7(d)	-	-	1,216	-	-	7,035
Cash and cash equivalents	7(e)	-	-	8,687	-	-	1,096
Bank balances other than cash and cash equivalents	7(f)	-	-	3,506	-	-	15,099
Loans and advances	7(c)	-	-	10,596	-	-	103
Derivative financial instruments	7(g)	-	316	30	-	292	-
Other financial asset	7(g)	-	-	-	-	-	137
TOTAL		7,387	589	136	7,133	484	23,624
Financial liabilities				25,994			
Non-current liabilities							
Borrowings	15(a)	-	-	1,699	-	-	2,574
Lease Liabilities	15(d)	-	-	281	-	-	284
Other financial liabilities	15(c)	-	-	290	-	-	275
Current liabilities							
Borrowings	15(a)	-	-	979	-	-	701
Trade payables	15(b)	-	-	9,242	-	-	7,960
Lease Liabilities	15(d)	-	-	204	-	-	165
Other financial liabilities	15(c)	-	-	1,988	-	-	3,193
TOTAL		-	-	14,683	-	-	15,152

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

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 Group 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

	Note	March 31, 2022			March 31, 2021		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets							
Investment in equity instruments	7(a)	9	-	47	7	-	47
Investment in mutual funds	7(b)	7,331	-	-	7,079	-	-
Derivative financial instruments	7(g)	-	589	-	-	484	-
TOTAL		7,340	589	47	7,086	484	47
Financial liabilities							
Derivative financial instruments	15(c)	-	-	-	-	-	-
TOTAL		-	-	-	-	-	-

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

	Note	March 31, 2022			March 31, 2021		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets							
Security deposits	7(g)	-	-	92	-	-	100
Loans and advances to related parties	7(c)	-	-	2	-	-	2
TOTAL		-	-	94	-	-	102
Financial liabilities							
Security deposits from contractors	15(c)	-	-	4	-	-	4
TOTAL		-	-	4	-	-	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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

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.

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 ₹ 17,435 (March 31, 2021 ₹ 15,743) including an amount of ₹ 8,692 and ₹ 8,743 (March 31, 2021 ₹ 9,984 and ₹ 5,759) 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 like limited impacted of COVID – 19 on domestic trade receivable engaged in exempted areas of agricultural activities

The following table provides information about the exposure to credit risk and expected credit loss:

Reconciliation of loss allowance provision – Trade receivables and Interest and Other charges recoverable from customer

	March 31, 2022	March 31, 2021
Opening balance	597	636
Changes in loss allowance	225	(39)
Write-off / Adjustment	(6)	-
Closing balance	816	597

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

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. The Group considers that its cash and cash equivalents have low credit risk based on external credit ratings of counterparties.

Based on the assessment there is no impairment in the above financial assets

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, 2022 and March 31, 2021 was as follows:

	March 31, 2022	March 31, 2021
Trade receivables	8,687	7,035
Cash and cash equivalents	3,506	1,096
Bank balances other than above	10,596	15,099
Current Investments	8,547	8,517
Non- Current Investments	258	54
Loans	30	170
Other financial assets	2,346	708
TOTAL	33,970	32,679

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, 2022	March 31, 2021
Expiring within one year		
- Fund based (Floating rate)	2,830	3,694
- Non fund based (Fixed rate)	-	573

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount 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, 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)	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

March 31, 2021	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	3,290	-	705	940	1,645	-
Interest Accrued but not due on Borrowing	4	4	-	-	-	-
Interest Payment on Term Loan	95	-	39	32	24	-
Trade Payables (Due to micro and small enterprises)	319	319	-	-	-	-
Trade Payables (Other Trade Payables)	7,641	7,641	-	-	-	-
Employee payables	774	234	540	-	-	-
Unspent CSR	16	-	7	9	-	-
Security Deposits from Dealers	273	-	-	-	-	273
Security Deposits from Contractors	4	4	-	-	-	-
Unclaimed Dividends	43	43	-	-	-	-
Creditors for Capital Purchases	484	484	-	-	-	-
Lease liability	449	55	110	116	164	4
Other Payable	1,185	724	461	-	-	-
TOTAL	14,577	9,508	1,861	1,097	1,833	277

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 forward exchange contracts, carried at fair value, may have

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

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, 2022 and March 31, 2021 expressed in Indian Rupees (₹) are as below:

Non derivative

Particulars	March 31, 2022					
	USD	EURO	JPY	GBP	CHF	AUD
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	-	-

Particulars	March 31, 2021					
	USD	EURO	JPY	GBP	CHF	AUD
Financial assets						
Cash and cash equivalents (EEFC Account)	350	-	-	-	-	-
Trade receivables	4,527	20	7	-	-	-
	4,877	20	7	-	-	-
Financial liabilities						
Borrowings (Term Loan)	3,275	-	-	-	-	-
Trade payables	4,087	22	108	0	-	-
	7,362	22	108	0	-	-

The following significant exchange rates have been applied during the year.

	Year-end spot rate (₹)	
	March 31, 2022	March 31, 2021
USD	75.79	73.11
EUR	84.22	85.75
JPY (100)	62.15	66.11
GBP	99.46	100.75
CHF	82.03	77.56
AUD	56.74	55.70

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

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.

Effect in ₹	Profit or loss, net of tax		Impact on other components of equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
March 31, 2022				
5% movement				
USD	(21)	21	-	-
EUR	-	-	-	-
JPY	(0)	0	-	-
GBP	(0)	0	-	-
TOTAL	(21)	21	-	-

Effect in ₹	Profit or loss, net of tax		Impact on other components of equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
March 31, 2021				
5% movement				
USD	(81)	81	-	-
EUR	-	-	-	-
JPY	(3)	3	-	-
GBP	(0)	0	-	-
TOTAL	(84)	84	-	-

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, 2022	March 31, 2021
Fixed-rate instruments		
Financial assets	14,238	15,665
Financial liabilities	-	-
Variable-rate instruments		
Financial liabilities	2,669	3,275
TOTAL	16,907	18,940

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

	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, 2022				
Variable-rate instruments	(8.73)	8.73	-	-
Cash flow sensitivity (net)	(8.73)	8.73	-	-
March 31, 2021				
Variable-rate instruments	(11.12)	11.12	-	-
Cash flow sensitivity (net)	(11.12)	11.12	-	-

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

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

Type of hedge and risk	March 31, 2021					
	No. of outstanding contracts	Nominal Value	Carrying value of hedging instrument *	Maturity date	Hedge ratio	Weighted average strike price/rate
Foreign exchange forward contracts	207	23,137	483	April 2021 To March 2024	1:1	US\$1: ₹ 79.24

* Refer Note No. 7(g)

(b). Disclosure of effects of hedge accounting on financial performance

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

Particulars	March 31, 2021			
	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	1,033	-	(34)	Revenue

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

(c). Movement in the cash flow hedge reserve

Effective portion of Cash flow Hedges	Amount
As at April 01, 2020	(420)
Add: Effective portion of gains/(losses) on cash flow hedges	1,033
Less: Amount reclassified to profit and loss account	(34)
Less: Deferred tax relating to above	373
As at March 31, 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

(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.

Effect in ₹	Profit or loss, net of tax		Impact on other components of equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
March 31, 2022				
5% movement				
USD	-	-	761	(761)
March 31, 2021				
5% movement				
USD	-	-	578	(578)

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:

		March 31, 2022	March 31, 2021
Borrowings (Non-current)		1,699	2,574
Borrowings (Current)		979	705
Total Debt	A	2,678	3,279
Total Equity	B	61,204	53,424
Debt to Equity ratio	A/B	0.04	0.06

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)(d) 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, 2022	As at March 31, 2021
Property, plant and equipment		
First charge	4,552	5,165
Second charge	9,938	11,021
Floating charge	47,048	43,439
TOTAL	61,538	59,625

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

42. Additional regulatory information required by Schedule III of Companies Act, 2013

(i) Transactions with Struck off companies:-

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 ₹ 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:

- 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
- 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:

- 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

(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.

(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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amount in ₹ million, unless otherwise stated)

- (viii) As at March 31, 2022, 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, 2021: Nil). During the year, the holding Company had granted Loan of INR 27 million to PI Health Sciences Private Limited at interest rate of G SEC + 0.38%, the entire amount of principal and interest was repaid within FY21-22.
- (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 had raised ₹ 20,000 million during the FY 20-21 through Qualified Institutional Placement (QIP) of equity shares. The Company has issued 13,605,442 equity shares of face value of ₹ 1 each at a price of ₹ 1,470 per Equity Share, including a premium of ₹ 1,469 per Equity Share. Funds received pursuant to QIP (net of expense ₹ 250 million) remain invested in fixed deposits, liquid and other debt mutual funds.
- 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**
- The Board of Directors in the meeting held on May 17, 2022 have recommended final dividend for the year ended March 31, 2022 which is subject to the approval of shareholders in the ensuing annual general meeting. Refer note 14(B) for details.
- 46.** Pursuant to amendment in Schedule III to the Companies Act, 2013 by Ministry of Corporate Affairs vide its notification dated March 24, 2021, the comparative figures as disclosed in these financial statements have been regrouped/reclassified, wherever necessary, to make them comparable to current period figures.

These are the notes to the consolidated financial statements 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

Place: Gurugram
Date: May 17, 2022

For and on behalf of the Board of Directors

Sd/-
Mayank Singhal
Vice Chairperson & Managing Director
DIN: 00006651
Place: Mumbai

Sd/-
Manikantan Viswanathan
Chief Financial Officer
Place: Mumbai

Sd/-
Rajnish Sarna
Joint Managing Director
DIN: 06429468
Place: Mumbai

Sd/-
Naresh Kapoor
Company Secretary
Place: Mumbai

PI Industries Ltd.

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

AGM NOTICE

NOTICE is hereby given that the 75th Annual General Meeting (AGM) of the members of PI INDUSTRIES LIMITED will be held as under:

Day	: Saturday
Date	: September 03, 2022
Time	: 10.30 A.M.
Mode/Through	: Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESS:

- To receive, consider and adopt the Audited Financial Statements (both Standalone and Consolidated) of the Company for the financial year ended March 31, 2022 and the Report of Directors and Auditors thereon.
- To confirm the payment of Interim Dividend and to declare Final Dividend on equity shares for the financial year ended March 31, 2022.
- To appoint a Director in place of Mr. Rajnish Sarna (DIN: 06429468), who retires by rotation, and being eligible, offers himself for re-appointment.
- Re-appointment of M/s. Price Waterhouse Chartered Accountants LLP, as Statutory Auditors.**

To consider and give assent or dissent to the following Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time (the "Act"), M/s. Price Waterhouse Chartered Accountants, LLP (ICAI Regn.No.012754N/N500016), be and is hereby re-appointed as the Statutory Auditors of the Company for a second term of five consecutive years to hold office commencing from the conclusion of this 75th Annual General Meeting (AGM) till the conclusion of the 80th AGM of the Company to be held in the year 2027, on such remuneration plus applicable taxes and out-of-pocket expenses incurred in connection with the Audit, as recommended by the Board of Directors and Audit Committee and as may be mutually agreed to upon between the Board of Directors of the Company and the said Statutory Auditors from time to time.

RESOLVED FURTHER THAT in addition to the fees, any other fees for certification and other permissible services under Section 144 of the Act may be paid to the Statutory Auditors at such rate as may be agreed between the Statutory Auditors and the Board of Directors, and Audit Committee of the Company."

SPECIAL BUSINESS:

- Ratification of Cost Auditors' Remuneration.**

To consider and give assent or dissent to the following Ordinary Resolution:

"RESOLVED THAT pursuant to the provision of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or re-enactment thereof, for the time being in force), the remuneration payable to M/s K.G. Goyal & Co., Cost Accountants, (Firm Regn. No.000017), appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records maintained by the Company for the financial year ending March 31, 2023 amounting to ₹ 3,30,000/- (Rupees Three Lacs Thirty thousand only) plus applicable GST and reimbursement out of pocket expenses, if any, incurred in connection with the audit be and is hereby confirmed, approved and ratified."

- Appointment of Mr. Narayan K. Seshadri as Non-Executive Non Independent Director.**

To consider and give assent or dissent to the following Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 152 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or enactment thereof for the time being in force) (the "Act"), on the recommendation of Nomination and Remuneration Committee and the Board of Directors, Mr. Narayan K. Seshadri (DIN: 00053563), in respect of whom the Company has received notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as Non-Executive Non Independent Director, of the Company, liable to retire by rotation with effect from September 06, 2022."

7. **Continuation of Mr. Arvind Singhal as a Non-Executive Non Independent Director of the Company on completion of 75 years of age.**

To consider and give assent or dissent to the following Special Resolution:

“RESOLVED THAT pursuant to regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, approval be and is hereby accorded for continuation of Mr. Arvind Singhal (DIN: 00092425) as a Non-Executive Non Independent Director of the Company liable to retire by rotation, who would attain the age of 75 years on November 29, 2022.”

8. **Appointment of Mr. Shobinder Duggal (DIN: 00039580) as an Independent Director.**

To consider and give assent or dissent to the following Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) as amended from time to time (“the Act”) read with Schedule IV to the Act and Regulation 16(1)(b), Regulation 25(2)(A) and any other applicable provision of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), Mr. Shobinder Duggal (DIN: 00039580), who was appointed as an Additional Director of the Company by the Board of Directors with effect from November 12, 2021 in terms of Section 161(1) of the Act and Article 107 of the Articles of Association of the Company and whose term of office expires at the Annual General Meeting and who has submitted a declaration that he meets the criteria for independence as provided in the Act and SEBI Listing Regulations, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, with effect from September 03, 2022, to hold office for a term of five consecutive years i.e. from September 03, 2022 till September 02, 2027.”

9. **Appointment of Ms. Pia Singh (DIN: 00067233) as an Independent Director.**

To consider and give assent or dissent to the following Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) as amended from time to time (“the Act”) read with Schedule IV to the Act and Regulation 16(1)(b), Regulation 25(2)(A) and any other applicable provision of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), Ms. Pia Singh (DIN: 00067233), who was appointed as an Additional Director of the Company by the Board of Directors with effect from August 03, 2022 in terms of Section 161(1) of the Act and Article 107 of the Articles of Association of the Company and whose term of office expires at the Annual General Meeting and who has submitted a declaration that she meets the criteria for independence as provided in the Act and SEBI Listing Regulations, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, with effect from September 03, 2022, to hold office for a term of five consecutive years i.e. from September 03, 2022 till September 02, 2027.”

10. **Re-appointment of Mr. Mayank Singhal, (DIN: 00006651) as Vice Chairperson & Managing Director of the Company.**

To consider and give assent or dissent to the following Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory amendments, modifications or re-enactments thereof for the time being in force), (the “Act”) read with Schedule V to the Act, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and based on the recommendation of Nomination and Remuneration Committee and the Board of Directors, approval of the Shareholders of the Company be and is hereby accorded for re-appointment of Mr. Mayank Singhal (DIN: 00006651) as Vice Chairperson & Managing Director of the Company, for a period of 3 (three) years from October 1, 2022 to September 30, 2025, not liable to retire by rotation, upon the terms, conditions and remuneration as set out in the Explanatory Statement annexed to the Notice (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during his aforesaid tenure), notwithstanding that such remuneration may exceed the limits prescribed under Section 197 read with Schedule V of the Act.

RESOLVED FURTHER THAT based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors and pursuant to regulation 17(6)(e) of the Listing Regulations, 2018, the consent of the Members of the Company be and is hereby accorded for payment of remuneration to Mr. Mayank Singhal (DIN: 00006651), Vice Chairperson & Managing Director, even if the annual remuneration payable to Mr. Mayank Singhal may exceed Rupees 5 crores or 2.5 per cent of the profits of the Company (whichever is higher) individually and / or the aggregate annual remuneration to all Executive Directors exceeds 5 per cent of the net profits of the Company in any year during the tenure of his reappointment.

RESOLVED FURTHER THAT the Board of Directors (which term shall always be deemed to include any Committee as constituted or to be constituted by the Board to exercise its powers including the powers conferred under this resolution) be and is hereby authorised to vary the terms of re-appointment including to vary the remuneration specified above from time to time as it deems fit and to the extent recommended by the Nomination and Remuneration Committee and in the manner as may be agreed between the Board and Mr. Mayank Singhal, provided that such variation or increase, as the case may be, shall not exceed the overall limits approved by the shareholders in this resolution.”

11. **Re-appointment of Mr. Rajnish Sarna, (DIN: 06429468) as Joint Managing Director of the Company.**

To consider and give assent or dissent to the following Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory amendments, modifications or re-enactments thereof for the time being in force) (the “Act”), read with Schedule V to the Act, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and based on the recommendation of Nomination and Remuneration Committee and the Board of Directors, approval of the shareholders of the Company be and is hereby accorded for re-appointment of Mr. Rajnish Sarna (DIN: 06429468) as Joint Managing Director of the Company, for a period of 3 (three) years from November 7, 2022 to November 6, 2025, liable to retire by rotation, upon the terms, conditions and remuneration as set out in the Explanatory Statement annexed to the Notice (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during his aforesaid tenure), notwithstanding that such remuneration may exceed the limits prescribed under Section 197 read with Schedule V of the Act.

RESOLVED FURTHER THAT the Board of Directors (which term shall always be deemed to include any Committee as constituted or to be constituted by the Board to exercise its powers including the powers conferred under this resolution) be and is hereby authorised to vary the terms of re-appointment including to vary the remuneration specified above from time to time as it deems fit and to the extent recommended by the Nomination and Remuneration Committee and in the manner as may be agreed between the Board and Mr. Rajnish Sarna, provided that such variation or increase, as the case may be, shall not exceed the limits approved by the shareholders in this resolution.”

12. **Payment of remuneration by way of commission to Mr. Narayan K. Seshadri (DIN: 00053563), as Non-Executive Independent Chairperson of the Company.**

To consider and give assent or dissent to the following Special Resolution:

“RESOLVED THAT pursuant to Section 197, 198 and all other applicable provisions of the Companies Act, 2013 and 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 in relation to the payment of remuneration by way of commission to the tune of ₹ 1,80,00,000/- (Rupees One Crore eighty lacs only) for the financial year 2021-22 to Mr. Narayan K. Seshadri (DIN: 00053563) Non-Executive Independent Chairperson of the Company, which is exceeding 50% (fifty percent) of the aggregate remuneration/ commission paid / 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/-

Mayank Singhal

Vice Chairperson & Managing Director
DIN: 00006651

Dated: August 10, 2022
Place: Gurugram

IMPORTANT NOTES:

- The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“the Act”), setting out the material facts with respect to the Special Businesses set out in the Notice is annexed hereto and forms part of this Notice. The Board of Directors of the Company at their meeting held on August 10, 2022 considered that the special businesses under Item Nos. 5 to 12 as being unavoidable, be transacted at the 75th Annual General Meeting (AGM) of the Company.
- General instructions for accessing and participating in the AGM through VC/OAVM. Facility and voting through electronic means including remote e-voting:
 - In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) vide its Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 19/2021 dated December 08, 2021, Circular No. 21/2021 dated December 14, 2021 and Circular No. 2/2022 dated May 05, 2022 (collectively referred to as “MCA Circulars”) has permitted Companies to conduct AGM through VC and OAVM without the physical presence of Members at a Common Venue. In terms of the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Members is being held through VC/OAVM. Hence, Members can attend and participate in the AGM through VC/OAVM only. The deemed venue of the AGM shall be the Registered Office of the Company.
 - Pursuant to the Circular No. 14/2020 dated April 08, 2020, and circular no 02/2022 dated 05/05/2022 issued by the Ministry of Corporate Affairs read with Securities and Exchange Board of India Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. Accordingly, Proxy form and Attendance slip are not annexed to this notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
 - The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee,

Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.piindustries.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the website of NSDL (agency for providing the Remote e-voting facility) i.e. www.evoting.nsdl.com.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:

The remote e-voting period begins on August 29, 2022 at 09:00 A.M. (IST) and ends on September 02, 2022 at 05:00 P.M. (IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. August 26, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being August 26, 2022.

How do I vote electronically using NSDL e-voting system?


The way to vote electronically on NSDL e-voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-voting system

A) Login method for e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

In terms of SEBI circular dated December 9, 2020 on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDEAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDEAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-voting services under Value added services. Click on “Access to e-voting” under e-voting services and you will be able to see e-voting page. Click on company name or e-voting service provider i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDEAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDEAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or e-voting service provider i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.
	
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. upon logging in, you will be able to see e-voting option. Click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on company name or e-voting service provider i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode 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 toll free no.: 1800 1020 990 and 1800 22 44 30
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 022- 23058738 or 022-23058542-43

B) Login Method for e-voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-voting website?

- i) Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- ii) Once the home page of e-voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
- iii) A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.

- iv) Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 120876 then user ID is 120876001***

- v) Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
- vi) If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
 - a) Click on **“Forgot User Details/Password?”** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?”** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.
- vii) After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
- viii) Now, you will have to click on “Login” button.
- ix) After you click on the “Login” button, Home page of e-voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-voting system.

How to cast your vote electronically and join General Meeting on NSDL e-voting system?

- i) After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.

- ii) Select "EVEN-120876" of company for which you wish to cast your vote during the remote e-voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
- iii) Now you are ready for e-voting as the Voting page opens.
- iv) Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- v) Upon confirmation, the message "Vote cast successfully" will be displayed.
- vi) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- vii) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

- i) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to akfriends38@yahoo.co.in with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "**Upload Board Resolution / Authority Letter**" displayed under "e-voting" tab in their login.
- ii) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
- iii) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Pallavi Mhatre at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investor@piind.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investor@piind.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

- i) The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
 - ii) Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.
 - iii) Members who have voted through Remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
 - iv) The details of the person who may be contacted for any grievances connected with the facility for e-voting on the day of the AGM shall be the same person mentioned for Remote e-voting.
- 5. Instructions for Members for attending the AGM through VC/OAVM are as under:**
- i) Member will be entitled to attend the AGM through VC/OAVM through the NSDL e-voting system. Members may access by following the steps mentioned above for **Access to NSDL e-voting system**. Members requested to click on VC/OAVM link placed under "**Join General Meeting**" menu. The link for VC/OAVM will be available in Member login where the EVEN of Company will be displayed. 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 in the notice to avoid last minute rush.
 - ii) Members are encouraged to join the Meeting through Laptops for better experience.
 - iii) Further Members will be required to use Internet with a good speed to avoid any disturbance during the meeting.

- iv) Please note that 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.
 - v) Members who would like to ask questions during the AGM with regard to Annual Report, Financial Statements or any other matter to be placed at the AGM, need to register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID, Client ID/Folio No. and mobile number at email address of the Company at investor@piind.com at least 72 hours before the commencement of AGM. Those Members who have registered themselves as a speaker will only be allowed to ask questions during the AGM, depending upon the availability of time. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
 - vi) The helpline number regarding any query/assistance for participation in the AGM through VC/OAVM is 1800-222-990. Members who need assistance before or during the AGM, can contact NSDL_evoting@nsdl.co.in / 1800-222-990.
6. Pursuant to the MCA General Circulars and SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and in view of the prevailing situation, owing to the difficulties involved in dispatching of physical copies of the Notice of the AGM and the Annual Report for the Financial Year 2021-22 including, Auditor's Report, Board's Report, along with all the annexures are being sent only by email to the those Members whose email addresses are registered with the Company / Depository Participants. Therefore, the Members, who wish to receive the Notice of the AGM and the Annual Report for the year 2021-22 and all other communications sent by the Company, from time to time, are requested to update their email address with the Company / its RTA (in case of shares held in physical mode) by sending the request at investor@piind.com or RTA at einward.ris@kfintech.com and Depository Participants (in case of shares held in demat mode).
 7. The Register of Members and Share Transfer Books of the Company will remain closed from August 27, 2022 to September 03, 2022 (both days inclusive) for the purpose of determining the names of Members eligible for dividend on equity shares, if declared at the AGM.
 8. The Dividend, if approved at the AGM will be paid net of TDS to those Members whose name would appear in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on August 26, 2022.
 9. The dividend, if any, approved by the Members will be paid, as per the mandate registered with the Company or with their respective Depository Participants. In case the dividend declared at AGM could not be paid due to non-availability of the details of the bank account, the Company shall dispatch the dividend warrant to such shareholder by post.
 10. 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 at the AGM and the dividend will be paid in the name of such first holder in the order of names.
 11. For payment of dividend to the Members holding shares in electronic mode, the Company will use bank particulars registered against their respective depository accounts. In cases the core banking details are not available, dividend warrants will be issued to the Members with bank details printed thereon as available in the Company's records. Members holding shares in physical form are requested to submit, if not already submitted, particulars of their Bank Accounts (Bank Account number, the name of the Bank and the Branch) in 'Form ISR – 1' along with copy of the cancelled cheque leaf with the first named shareholder's name imprinted on the face of the cheque leaf, where they would like to deposit the dividend warrants/demand drafts for encashment. These details can be furnished by the first/sole shareholder directly to Company at investor@piind.com or its RTA i.e KFin Technologies Limited at einward.ris@kfintech.com.
 12. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.:
 - i. **For shares held in electronic form:** to their Depository Participants (DPs)
 - ii. **For shares held in physical form:** to the Company/ RTA in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/ MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 and clarification issued vide Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2021/687 dated December 14, 2021.
 13. 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 IT Act 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 Notice of 75th AGM.
 14. Members of the Company are informed that pursuant to Sec 124 of the Companies Act, 2013, the dividends that remain unpaid/unclaimed for a period of 7 (seven) years from the date of transfer to the unpaid dividend account and underlying equity shares on which dividend remain unpaid/unclaimed for a period of 7 (seven) consecutive years are required to be transferred to the Investor Education & Protection Fund ("IEPF") Authority established by the Central Government. Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has, during financial year 2021-22, transferred 3120 equity shares of Re.1/- each on May 4, 2021 and 60 equity shares of Re.1/- each on November 11, 2021 to the IEPF Authority in respect of which dividend remained unpaid or unclaimed for seven consecutive years or more. The status of the unpaid/unclaimed dividend for the following Financial Years are as follows:

S. No.	Financial Year	Date of declaration of Dividend	Date of Transfer/Due date of transfer of Dividend to IEPF A/c
1	2014-15/ Final Dividend	15.09.2015	21.10.2022
2	2015-16/ 1 st Interim Dividend	27.10.2015	03.12.2022
3	2015-16/ 2 nd Interim Dividend	14.03.2016	20.04.2023
4	2016-17/ Interim Dividend	25.10.2016	01.12.2023
5	2016-17/ Final Dividend	06.09.2017	12.10.2023
6	2017-18/ Interim Dividend	25.10.2017	01.12.2024
7	2017-18/ Final Dividend	06.08.2018	12.09.2025
8	2018-19/ Interim Dividend	26.10.2018	02.12.2025
9	2018-19/ Final Dividend	09.09.2019	15.10.2026
10	2019-20/ Interim Dividend	12.02.2020	18.03.2027
11	2019-20/ Final Dividend	25.09.2020	29.10.2027
12	2020-21/ Interim Dividend	02.02.2021	06.03.2028
13	2020-21/ Final Dividend	14.09.2021	19.10.2028
14	2021-22/ Interim Dividend	03.02.2022	10.03.2029

Members are requested to note that the details of the unclaimed dividends are available on the Company's website at <https://www.piindustries.com/investor-relations> and Ministry of Corporate Affairs – IEPF Authority at www.iepf.gov.in.

The Members / claimants whose shares or unclaimed dividend(s) have been transferred to IEPF Authority may claim the shares or apply for refund by making an online application to IEPF Authority in e-form IEPF-5 (available at www.iepf.gov.in).

The Member / claimant can file only one consolidated claim in a Financial Year as per the IEPF Rules. Members who have not encashed their dividend warrant(s) are requested in their own interest to write to the Company / RTA immediately claiming the Dividend(s) declared by the Company pertaining to the Financial Year ended March 31, 2015 onwards. Kindly note that once the amount and/or shares is transferred to the IEPF Authority, no claims shall lie against the Company. However, the members can claim such amount and shares from the Authority in the manner prescribed in IEPF Rules.

15. Members may address all the correspondences relating to dividend, unclaimed shares, claiming refund of shares & dividend transferred to IEPF, change of address, share transfer, transmission, nomination, etc. to the Company at investor@piind.com or the RTA at einward.ris@kfintech.com.
16. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
18. Members may please note that SEBI vide its Circular No. SEBI/ HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, has mandated the listed companies to issue securities in dematerialised form only while processing service requests viz. issue of duplicate securities certificate; claim from unclaimed dividend account; exchange of securities certificate; subdivision of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website at <https://www.piindustries.com/investor-relations/Investor-Information/Forms>. It may be noted that any service request can be processed only after the folio is KYC Compliant.
19. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialised form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or its RTA i.e. KFin Technologies Limited for assistance in this regard.
20. Electronic copy of all the documents referred to in the accompanying Notice of the AGM and the Explanatory Statement shall be available for inspection in the Investor Section of the website of the Company at <https://www.piindustries.com/investor-relations/Investor-Information/Annual-General-Meeting>.
21. During the AGM, Members may access the scanned copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act in which Directors are interested maintained under Section 189 of the Act, upon Log-in to NSDL e-voting system at <https://www.evoting.nsdl.com>. The same shall be available for view only till the closure of AGM.
22. The relevant details, pursuant to Reg. 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings (SS 2) issued by the Institute of Company Secretaries of India in respect of Directors seeking appointment/re-appointment are also annexed as **Annexure "A"** to this Notice.
23. As per Section 118(1) of the Companies Act, 2013 read with the Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India, "No gifts, gift coupons or cash in lieu of gifts shall be distributed to the members in connection with the meeting".

24. Other Guidelines for Members:

- a) This Notice is being sent to all the Members whose names appear as on August 05, 2022, in the Register of Members or in the Register of beneficial owners as received from KFin Technologies Limited, the Registrar and Transfer Agent ("RTA") of the Company.
- b) A person whose name is recorded in the Register of Members or in the Register of beneficial owners maintained by the depositories as on August 26, 2022 ("Cut-Off date") only shall be entitled to avail the facility of remote e-voting. The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as of the Cut-Off date.
- c) Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com.
- d) 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.
- e) During the AGM, the Chairperson shall, after response to the questions raised by the Members in advance, formally propose to the Members participating through VC/OAVM Facility to vote on the resolutions as set out in the Notice of the 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 AGM.
- f) The Scrutinizer shall, immediately after the conclusion of e-voting at the AGM and thereafter unblock the votes casted through remote e-voting. The Scrutinizer shall, within a period not later than two working days from the conclusion of the AGM, prepare and present a scrutinizer report of the total votes cast in favour or against, if any, to the Chairperson of the Company or a person authorised by him in writing who shall countersign the same.
- g) The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at <https://www.piindustries.com/investor-relations/investor-information/Annual-General-Meeting> and on the website of NSDL at www.evoting.nsdl.com immediately after the declaration of results by the Chairperson or a person authorized by him. The results shall also immediately forwarded to the stock exchange(s), where the equity shares of the Company are listed.

By Order of the Board of Directors
For PI Industries Limited

Dated: August 10, 2022
Place: Gurugram

Sd/-
Mayank Singhal
Vice Chairperson & Managing Director
DIN: 00006651

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No.4

At the 70th Annual General Meeting (AGM) of the Company held on September 6, 2017, the Members had approved the appointment of Price Waterhouse Chartered Accountants LLP, (ICAI Firm Registration Number 012754N/N500016) as Statutory Auditors of the Company, to hold office till conclusion of 75th AGM of the Company to be held in the year 2022.

Pursuant to the provisions of Section 139 of the Act, read with the Companies (Audit and Auditors) Rules, 2014, no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. Pursuant to the aforesaid provision and based on the recommendations of the Audit Committee, the Board of Directors have, at its Meeting held on May 17, 2022, proposed the re-appointment of Price Waterhouse Chartered Accountants LLP as Statutory Auditors for a second term of five consecutive years from the conclusion of 75th AGM till the conclusion of 80th AGM of the Company to be held in the year 2027, to examine and audit the accounts of the Company for the financial years 2022-23 to 2026-27 (both inclusive) on the proposed remuneration of ₹ 78,00,000 (Rupees Seventy eight lakhs only) plus applicable taxes and out-of-pocket expenses incurred in connection with the audit as may be decided by the Board.

In accordance with the provisions of Sections 139, 141 and other applicable provisions, if any, of the Act read with the Companies (Audit and Auditors) Rules, 2014 and Listing Regulations, Price Waterhouse Chartered Accountants LLP, have provided their consent and eligibility certificate to the effect that, their re-appointment, if made, would be in compliance with the applicable laws.

The Board commends the Resolution set out at Item No. 4 of the Notice for the approval by the Members.

None of the Directors, Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution as set out at Item No. 4 of the accompanying Notice.

Item No. 5

The Board in its meeting held on May 17, 2022, on the recommendation of the Audit Committee, has approved the appointment and remuneration of ₹ 3,30,000/- (Rupees Three Lacs thirty thousand only) payable to M/s K.G. Goyal & Co., Cost Accountants, (Firm Regn. No. 000017), the Cost Auditors of the Company, to conduct audit of the cost records maintained by the Company across various segments on which Cost Audit Rules are

applicable for the financial year ending March 31, 2023. In terms of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditors needs ratification by the members of the Company by passing an ordinary resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in the resolution as set out at Item No.5 of the Notice.

The Board recommends the Ordinary Resolution as set out at Item No.5 of the Notice for approval by the members.

Item No.6

Mr. Narayan K. Seshadri was appointed as an Independent Director on the Board of the Company for a term of 3 years by the shareholders in their Annual General Meeting held on September 10, 2014. Further, based on the performance evaluation of the Independent Directors and on the recommendations of the Nomination and Remuneration Committee and Board, given his background, experience and contribution, the shareholders of the Company in their Annual General Meeting held on September 6, 2017 had re-appointed Mr. Narayan K. Seshadri (DIN: 00053563), as an Independent Director for the second term of 5 (five) years with effect from September 6, 2017 till September 5, 2022. Mr. Seshadri has been a part of the Board of Directors of the Company as an Independent Director since 2014, and was appointed as Chairperson of the Company in 2016.

Mr. Seshadri, with more than 40 years of distinguished corporate career, is a qualified Chartered Accountant. During his time at Arthur Anderson, Mr. Seshadri was a member of Andersen's Global CEO advisory council, the only Indian partner to hold such a position. Later, Mr. Seshadri moved to the business consulting practice of KPMG and was the Managing Partner of its Business Advisory practice in India. Additionally, Mr. Seshadri has diverse experience across various management roles and has gained expertise and recognition for his turnaround of multiple companies. He currently serves on the boards of prominent Indian companies such as Kalpataru Power Transmission Limited, AstraZeneca Pharma India Limited and SBI Life Insurance Co. Limited, among others.

Under Mr. Seshadri's stewardship as Chairperson of the Company, the Company revenues have more than doubled with higher returns to shareholders. Since his association from 2006, the Company has benefited significantly from Mr. Seshadri's expertise and experience across multiple disciplines from financial, legal and regulatory, risk management, corporate governance and human capital management. Furthermore, Mr. Seshadri has played a pivotal role in setting the strategic direction and growth plan while overseeing the Group's businesses policies and ensuring high governance standards.

As the Company continues its aggressive growth plan seeking evermore sustainable business and with diversification across adjacencies like pharma and speciality chemicals, the Board of Directors firmly believes Mr. Seshadri's leadership and mentoring of management will be of immense value given his knowledge of the Company and the future planned trajectory of the Company. It is therefore recommended to continue his association as a Non-Executive Non Independent Director of the Company in accordance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company is managed and controlled by a Board comprising of an optimum blend of Executive, Non-Executive and Independent Directors. The Company has brought and attracted Independent Directors who have a broad experience across financial, governance, international growth, expansion and technical expertise. In future, it will continue to benefit from highly experienced and engaged Independent Directors, combined with Mr. Seshadri's leadership and key role connecting the management and Board to deliver strong corporate governance.

The Company has also received a Notice in writing under Section 160(1) of the Act from a member proposing the candidature of Mr. Seshadri for the office of Director.

Further, Company has received consent from Mr. Seshadri for his appointment as a Non-Executive Non Independent Director of the Company who will be liable to retire by rotation.

Mr. Seshadri is also proposed to be appointed as a Chairperson of the Board of Directors of the Company, post his appointment as Non-Executive Non Independent Director of the Company.

As the long term fruitful association with Mr. Seshadri needs to be preserved and cherished, your Board of Directors recommends his appointment as a Non-Executive Non Independent Director, liable to retire by rotation to the members for their approval by way of an Ordinary Resolution as set out at Item No. 6 of the accompanying Notice of the 75th AGM.

Mr. Seshadri is not disqualified from being appointed as a Director in terms of Section 164 of the Act, nor debarred from holding the office of Director by any such authority and has given his consent for the said appointment.

The information as required under the Regulation 36 of SEBI Listing Regulations and Secretarial Standard on General Meetings (SS 2) of Mr. Narayan K. Seshadri is provided in **Annexure "A"** to the Notice.

None of the Directors, Key Managerial Personnel of the Company and their relatives other than Mr. Narayan K. Seshadri himself is in any way concerned or interested, financial or otherwise, in passing of this item.

Item No. 7

Mr. Arvind Singhal, Non-Executive Non-Independent Director, was appointed on the Board of the Company on October 5, 2016 in terms of Companies Act, 2013. Mr Arvind Singhal, being relative of Mr Mayank Singhal, belongs to promoter group of the Company.

The Securities and Exchange Board of India (SEBI) has amended the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 vide circular dated May 9, 2018, which requires continuance of any Non-Executive Director who has attained the age of 75 years after seeking the prior

approval of shareholders by way of a Special Resolution.

Mr. Arvind Singhal shall attain the age of 75 years on November 29, 2022, hence approval by way of Special Resolution is placed before the shareholders in order to comply with the aforesaid circular. Apart from being a Director on the Board, Mr. Arvind Singhal is also member of Nomination and Remuneration Committee and has been effectively performing his duties and providing valuable guidance to the Company in key strategic matters from time to time. Mr. Arvind Singhal holds eminent position in various Companies i.e. Wolkem India Ltd., as Managing Director and Directors on the Board of Secure Meters Ltd., Skill Council for Mining Sector, Federation of India Mineral Industries and Mynores India Private Limited.

The Board is of the opinion that Mr. Arvind Singhal's rich and diverse experience is a valuable asset to the Company which adds value and enriched point of view during Board discussions and decision making. He is also a person of integrity who possesses required expertise and his association as Non-Executive Non Independent Director will be beneficial to the Company.

None of the Directors, Key Managerial Personnel of the Company and their relatives other than Mr. Arvind Singhal himself and Mr. Mayank Singhal, who is related to Mr. Arvind Singhal, is in any way concerned or interested financially or otherwise, in the said resolution.

The Board recommends the special resolution as set out at Item No.7 of the Notice for approval by the shareholders.

Item No. 8

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on November 12, 2021 appointed Mr. Shobinder Duggal (DIN:00039580) as an Additional Director who shall hold office till the date of the ensuing Annual General Meeting pursuant to the provisions of Section 161 of the Act and rules made thereunder and the Articles of Association of the Company.

The Company has received a declaration from Mr. Shobinder Duggal confirming that he meets the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). In terms of Regulation 25(8) of the Listing Regulations, Mr. Shobinder Duggal has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. Mr. Shobinder Duggal has also confirmed that he is not debarred from holding the office as a Director of the Company by virtue of any SEBI order or any such authority pursuant to circulars dated 20th June, 2018 issued by BSE Limited and the National Stock Exchange of India Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by the listed companies. Further, Mr. Shobinder Duggal is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director.

The information as required under the Regulation 36 of Listing Regulations and Secretarial Standard (SS 2) on General Meetings, of Mr. Shobinder Duggal is provided in **Annexure "A"** to the Notice.

Accordingly, it is proposed to appoint Mr. Shobinder Duggal as an Independent Director of the Company, who shall not be liable to retire by rotation.

In the opinion of the Board, Mr. Shobinder Duggal fulfils the conditions specified in the Act and the Listing Regulations for appointment as an Independent Director and that he is independent of the Management. He shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings and profit related commission within the limits stipulated under Section 197 of the Act and other applicable provisions and as may be approved by the shareholders.

Electronic copy of the draft letter for his appointment as an Independent Director setting out the terms and conditions shall be available for inspection by the Members in the investor section of the website of the company at www.piindustries.com.

Based on the recommendations of the Nomination and Remuneration Committee, given his background, experience and expertise, the Board is of the opinion that Mr. Shobinder Duggal's continued association would be of immense benefit to the Company and it is, therefore, desirable to appoint him as an Independent Director.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, Regulation 17 and Regulation 25(2)(A) of the Listing Regulations and other applicable provisions of the Act and Listing Regulations, the appointment of Mr. Shobinder Duggal as an Independent Director is now placed for the approval of the Members by a Special Resolution. The Board recommends the Special resolution, as set out at item No. 8 of accompanying Notice, for approval by the Members.

None of the Directors and Key Managerial Personnel of the Company and their relatives, except Mr. Shobinder Duggal and his relative(s), is in any way concerned or interested, financially or otherwise, in the proposed special resolution set out at item No. 8 of the Notice. Mr. Shobinder Duggal is not related to any other Director or KMP of the Company.

Item No. 9

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on August 03, 2022 appointed Ms. Pia Singh (00067233) as an Additional Director who shall hold office till the date of the ensuing Annual General Meeting pursuant to the provisions of Section 161 of the Act and rules made thereunder and the Articles of Association of the Company.

The Company has received a declaration from Ms. Pia Singh confirming that she meets the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). In terms of Regulation 25(8) of the Listing Regulations, Ms. Pia Singh has confirmed that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties. Ms. Pia Singh has also confirmed that she is not debarred from holding the office as a Director of the Company by virtue of any SEBI order or any such authority pursuant to circulars dated 20th

June, 2018 issued by BSE Limited and the National Stock Exchange of India Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by the listed Companies. Further, Ms. Pia Singh is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given her consent to act as Director.

The information as required under the Regulation 36 of Listing Regulations and Secretarial Standard (SS 2) on General Meetings, of Ms. Pia Singh is provided in **Annexure "A"** to the Notice.

Accordingly, it is proposed to appoint Ms. Pia Singh as an Independent Director of the Company, who shall not be liable to retire by rotation.

In the opinion of the Board, Ms. Pia Singh fulfils the conditions specified in the Act and the Listing Regulations for appointment as an Independent Director and that she is independent of the Management. She shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings and profit related commission within the limits stipulated under Section 197 of the Act and other applicable provisions and as may be approved by the shareholders.

Electronic copy of the draft letter for her appointment as an Independent Director setting out the terms and conditions shall be available for inspection by the Members in the investor section of the website of the Company at www.piindustries.com.

Based on the recommendations of the Nomination and Remuneration Committee, given her background, experience and expertise, the Board is of the opinion that Ms. Pia Singh's continued association would be of immense benefit to the Company and it is, therefore, desirable to appoint her as an Independent Director.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, Regulation 17 and Regulation 25(2)(A) of the Listing Regulations and other applicable provisions of the Act and Listing Regulations, the appointment of Ms. Pia Singh as an Independent Director is now placed for the approval of the Members by a Special Resolution. The Board recommends the special resolution, as set out at item No. 9 of accompanying Notice, for approval by the members.

None of the Directors and Key Managerial Personnel of the Company and their relatives, except Ms. Pia Singh and her relative(s), is in any way concerned or interested, financially or otherwise, in the proposed special resolution set out at item No. 9 of the Notice. Ms. Pia Singh is not related to any other Director or KMP of the Company.

Item No. 10

Mr. Mayank Singhal (DIN:00006651) was appointed as a Managing Director & CEO of the Company by the Shareholders of the Company on September 6, 2017 for a term of 5 (Five) years with effect from October 1, 2017 to September 30, 2022. Further, the Shareholders at their meeting held on September 9, 2019 has elevated the position held by Mr. Mayank Singhal (DIN: 00006651) from Managing Director & CEO to Vice Chairperson & Managing Director of the Company w.e.f. September 09, 2019. His existing term is expiring on September 30, 2022.

Mr. Mayank Singhal (DIN: 00006651) joined the Company in 1996. Leveraging his rich experience of over two decades in the fields of chemicals, intermediate and agrochemical industries, he has played an instrumental role in the rapid development of Company's customer base. He has also been responsible for bringing in superlative changes in policies and transforming operations and systems, thus, providing synergy to various business activities of the Company.

In view of the valuable contribution made by Mr. Mayank Singhal, as Vice Chairperson & Managing Director for overall business, financial performance, turnaround and growth of the Company in his current tenure, it is proposed to re-appoint him as Vice Chairperson & Managing Director of the Company. Accordingly, the Nomination and Remuneration Committee and the Board of Directors of the Company at their respective meetings held on May 16, 2022 and May 17, 2022, in accordance with the provisions of Sections 196, 197, 203 and any other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Act and subject to the approval of the Shareholders of the Company and/ or any other regulatory approvals, if required, recommended the re-appointment of Mr. Mayank Singhal as Vice Chairperson & Managing Director of the Company for a period of 3 years from October 1, 2022 to September 30, 2025, not liable to retire by rotation, on the terms and conditions including remuneration as reproduced below.

The Board and the Nomination and Remuneration Committee while re-appointing Mr. Mayank Singhal as the Vice Chairperson & Managing Director of the Company, have considered his background, experience and contributions to the Company. Mr. Mayank Singhal has consented for his re-appointment as the Vice Chairperson & Managing Director of the Company for the aforesaid period and also confirmed that he is not disqualified under any of the provisions of Section 164 of the Act and that he satisfies the conditions, as contained in Part 1 of Schedule V of the Act. The terms and conditions relating to the re-appointment and terms of remuneration of Mr. Mayank Singhal as Vice Chairperson & Managing Director, inter alia, includes the following:

1. **Period:** 3 years i.e. from October 1, 2022 to September 30, 2025
2. **Remuneration:**
 - A. **Salary:** Rs.35,00,000/- per month in the range of Rs.30,00,000/- to Rs.60,00,000/- per month with such increment(s) from time to time as the Board /Nomination and Remuneration Committee of Directors may deem fit.
 - B. **Perquisites:** Mr. Mayank Singhal, Vice Chairperson & Managing Director, be paid any type of perquisites, subject to overall ceiling of 100% of the salary. However the following shall not form part of perquisites:

Provident Fund, Superannuation Fund, Gratuity and Leave Encashment: Company's contribution to Provident Fund and Superannuation Fund and payment of Gratuity and Encashment of Leave would be as per the rules of the Company. However, Company's contribution to Provident Fund and Superannuation Fund to the extent these (either singly or together) are not taxable under the Income Tax Act, Gratuity payable as per the rules of the Company and Encashment of Leave at the end of the tenure shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

C. Commission:

Such remuneration by way of commission, in addition to the salary, perquisites and allowances payable, calculated with reference to the net profits of the Company in a particular financial year as may be determined by the Board of Directors of the Company at the end of each financial year, subject to the provisions of the Companies Act, 2013.

D. Minimum remuneration

Notwithstanding anything to the contrary herein contained, where in any financial year during the tenure of Mr. Mayank Singhal, as Vice Chairperson & Managing Director, the Company has no profits or its profits are inadequate, the salary and perquisites payable to him shall not exceed the limits as laid down in provisions of the Companies Act, 2013 as modified from time to time.

In order to comply with the requirement of Listing Regulations and on recommendation of Nomination and Remuneration Committee, Board of Directors is seeking to take the Members' approval by way of Special Resolution for paying him remuneration as per already approved terms and conditions in case his remuneration exceeds the limits prescribed in Regulation 17(6)(e) of SEBI (LODR).

The information as required under the Regulation 36 of Listing Regulations and Secretarial Standard (SS 2) on General Meetings, of Mr. Mayank Singhal is provided in **Annexure "A"** to the Notice.

The above may be treated as a written memorandum setting out the terms of re-appointment of Mr. Mayank Singhal under Section 190 of the Act.

None of the Directors, Key Managerial Personnel of the Company and their relatives other than Mr. Mayank Singhal himself and Mr. Arvind Singhal, who is related to Mr. Mayank Singhal, is in any way concerned or interested financially or otherwise, in the said Resolution.

The Board of Directors recommend passing of the resolution by the members as set out under Item No. 10 as a special resolution.

Item No. 11

Mr. Rajnish Sarna (DIN:06429468) was appointed as Whole-time Director of the Company by the Shareholders of the Company on September 6, 2017 for a term of 5 (Five) years with effect from November 7, 2017 to November 6, 2022. Further, the Shareholders at their meeting held on September 14, 2021 has elevated the position held by Mr. Rajnish Sarna (DIN:06429468) from Whole-time Director to Joint Managing Director of the Company w.e.f. May 18, 2021. His existing term is expiring on November 6, 2022.

Mr. Rajnish Sarna, who has been associated with the Company for more than 26 years is one of the key personnel who besides other KMPs, was instrumental for this transformation of the Company over the last several years. He has diverse experience of over 3 decades in the areas of Business Development & Strategy, Customer Relationship Mgt., Operations, Finance, Risk Management, Legal Contracting & Compliances, Investor relations, Information Technology and Process Re-engineering, CSM Operations, Joint Ventures to Mergers & Acquisitions (M&A) etc.

In view of the valuable contribution made by Mr. Rajnish Sarna, as Joint Managing Director in overall turnaround and growth and also his important role in the future direction and growth of the Company in his current tenure, it is proposed to re-appoint him as Joint Managing Director of the Company. Accordingly, the Nomination and Remuneration Committee and the Board of Directors of the Company at their respective meetings held on May 16, 2022 and May 17, 2022, in accordance with the provisions of Sections 196, 197, 203 and any other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Act and subject to the approval of the Shareholders of the Company and/ or any other regulatory approvals, if required, recommended the re-appointment of Mr. Rajnish Sarna, as Joint Managing Director of the Company for a period of 3 years from November 7, 2022 to November 6, 2025, liable to retire by rotation, on the terms and conditions including remuneration as reproduced below.

The Board and the Nomination and Remuneration Committee while re-appointing Mr. Rajnish Sarna as Joint Managing Director of the Company, have considered his background, experience and contributions to the Company. Mr. Sarna has consented for his re-appointment as Joint Managing Director of the Company for the aforesaid period and also confirmed that he is not disqualified under any of the provisions of Section 164 of the Act and that he satisfies the conditions, as contained in Part 1 of Schedule V of the Act. The terms and conditions relating to the re-appointment and terms of remuneration of Mr. Rajnish Sarna as Joint Managing Director, inter alia, includes the following:

1. **Period:** November 07, 2022 to November 06, 2025
2. **Remuneration:**
 - A. **Salary:** Rs.20,00,000/- per month in the range of Rs.20,00,000/- to Rs.40,00,000/- per month with such increment from time to time as the Board / Nomination and Remuneration Committee of Directors may deem fit.
 - B. **Perquisites:** Mr. Rajnish Sarna, Joint Managing Director, be paid any type of perquisites, subject to overall ceiling of 100% of the salary. However the following shall not form part of perquisites:

Provident Fund, Superannuation Fund, Gratuity and Leave Encashment: Company's contribution to Provident Fund and Superannuation Fund and payment of Gratuity and Encashment of Leave would be as per the rules of the Company. However, Company's contribution

to Provident Fund and Superannuation Fund to the extent these (either singly or together) are not taxable under the Income Tax Act, Gratuity payable as per the rules of the Company and Encashment of Leave at the end of the tenure shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

C. Commission

Such remuneration by way of commission, in addition to the salary, perquisites and allowances payable, calculated with reference to the net profits of the Company in a particular financial year as may be determined by the Board of Directors of the Company at the end of each financial year, subject to the provisions of the Companies Act, 2013.

D. Minimum remuneration

Notwithstanding anything to the contrary herein contained, where in any financial year during the tenure of Mr. Rajnish Sarna as Joint Managing Director, the Company has no profits or its profits are inadequate, the salary and perquisites payable to him shall not exceed the limits as laid down in provisions of the Companies Act, 2013 as modified from time to time.

The information as required under the Regulation 36 of Listing Regulations and Secretarial Standard on General Meetings, of Mr. Rajnish Sarna is provided in **Annexure "A"** to the Notice.

The above may be treated as a written memorandum setting out the terms of re-appointment of Mr. Rajnish Sarna under Section 190 of the Act.

None of the Directors, Key Managerial Personnel of the Company and their relatives other than Mr. Rajnish Sarna is in any way concerned or interested financially or otherwise, in the said resolution.

The Board of Directors recommend passing of the resolution by the members as set out under Item No. 11 as a special resolution.

Item No. 12

The shareholders at the 72nd Annual General Meeting held on 9th September, 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 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 in 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, Nomination and Remuneration Committee, Risk Management Committee apart from being the Chairperson of the Audit Committee as well as the Board, 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 and Remuneration Committee has approved a higher amount of commission to him in the capacity of Non-Executive Chairperson as compared to other Non-Executive Directors.

Under his chairmanship, the Company revenues have grown from Rs.23,087 Mn. to Rs.50,769 Mn. in a span of 5 years. Pursuant to Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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.

Since, the commission amount payable to Mr. Narayan K. Seshadri exceeds fifty per cent of the total remuneration payable to all Non-Executive Directors for the year ended March 31, 2022, approval of the shareholders is sought by way of special resolution.

In light of 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 payable to Mr. Narayan K. Seshadri for the year ended March 31, 2022 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. 12 for approval of the shareholders as a special resolution.

Except Mr. Narayan K. Seshadri none of the Directors, Key Managerial Personnel of the Company and their relatives is in any way concerned or interested financial or otherwise, in the said resolution.

By Order of the Board of Directors
For **PI Industries Limited**

Sd/-

Mayank Singhal

Vice Chairperson & Managing Director

DIN:00006651

Dated: August 10, 2022

Place: Gurugram

Regd. Office:

Udaisagar Road, Udaipur – 313001 (Rajasthan)

CIN: L24211RJ1946PLC000469

Annexure- A

Disclosure relating to Directors pursuant to Regulation 26(4) and 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. Mayank Singhal	Mr. Rajnish Sarna	Mr. Shobinder Duggal
Age	49 years	53 years	64 years
DIN	00006651	06429468	00039580
Date of Birth	03.03.1973	08.06.1969	01.03.1958
Qualification	Engineering and Management graduate from UK.	Chartered Accountant	Chartered Accountant
Experience	Over 28 years of experience	Over 30 years of experience	Over 36 years of experience
Brief resume and nature of their expertise in specific functional areas	<p>Having joined PI Industries in 1996, Mr. Mayank Singhal, an Engineering and Management graduate from UK, rose to become its Joint Managing Director in 2004 and subsequently its Managing Director and CEO with effect from December 1, 2009 and further changed his position from Managing Director & CEO to Vice Chairperson & Managing Director of the Company w.e.f. September 09, 2019.</p> <p>Leveraging his rich experience of over two decades in the fields of chemicals, intermediate and agrochemical industries, he has played an instrumental role in the rapid development of Company's customer base. He has also been responsible for bringing in superlative changes in policies and transforming operations and systems, thus, providing synergy to various business activities of the Company. Besides PI Industries, he also serves the boards of PI Life Science Research Ltd., PILL Finance and Investment Ltd., TP Buildtech Pvt. Ltd., Fratelli Wines Pvt. Ltd. and PI Health Sciences Limited.</p>	<p>Mr. Rajnish Sarna is a qualified Chartered Accountant and has a diverse experience of over 3 decades in the areas of Business Development & Strategy, Customer Relationship Mgt., Ops, Finance, Risk Mgt, Legal Contracting & Compliances, Investor relations, Information Technology and Process Reengineering, etc. He has been associated with PI for nearly 26 years and is responsible for the overall transformation of the Company over the last several years by managing numerous portfolios from Finance, IT, Business Development, CSM operations, and Merger & Acquisition related activities.</p> <p>His current role is focused on identifying new business opportunities, Mergers & Acquisitions, evaluate and execute such possibilities apart from various other strategic initiatives, Investor relations, and handling joint-ventures and key customer relationships on behalf of the Company and also Chief Investor Relation Officer. He is currently on the Board of PI Life Science Research Limited, PILL Finance and Investment Limited, Solinnos Agro Sciences Private Limited, PI Kumiai Private Limited, PI Bioferma Private Limited, PI Fermachem Private Limited, Jivagro Limited and PI Health Sciences Limited.</p>	<p>Mr. Shobinder Duggal holds a bachelor's degree in Economics (Hons.) from St. Stephens College, Delhi University and is a member of Institute of Chartered Accountants of India.</p> <p>He has completed the International General Management program for executive development from the International Institute for Management Development, Lausanne, Switzerland. He has vast experience in finance and accounts domain and in the past has held positions at Nestle as well as Voltas India Limited.</p> <p>During his association with Nestle, Mr. Duggal has handled various responsibilities including Financial Planning; Direct Taxes; Consolidation & Reporting to the Group and for India entity; Assisting on Investor Relations; Insurance; Controlling; Costing; Overseeing the Treasury function; Payroll; Fixed Assets Management; Operational & Financial audits; Due diligence audit etc. He led an international team for the due diligence of a major acquisition in India.</p> <p>He is currently on the Board of SBI Life Insurance Company Limited and Kirloskar Brothers Limited.</p>
Terms and condition of appointment / Re-appointment	As mentioned in the Explanatory Statement.	As mentioned in the Explanatory Statement	As mentioned in the Explanatory Statement
Date of first appointment on the Board	28.09.1998	07.11.2012	12.11.2021
Shareholding in the Company as on 31.03.2022	3,20,28,510 equity shares of Re.1/- each	1,25,512 equity shares of Re.1/- each	Nil
Disclosure of Relationship between Directors inter-se	Nephew of Mr. Arvind Singhal	None	None

Name of the Director	Mr. Mayank Singhal	Mr. Rajnish Sarna	Mr. Shobinder Duggal
No. of Meetings of Board attended during the year	4	4	1*
Names of the listed Companies in which person holds Directorship	PI Industries Limited	PI Industries Limited	PI Industries Limited SBI Life Insurance Co. Limited Kirloskar Brothers Limited
Names of listed Companies in which person ceased to be a Director in past three years	Nil	Nil	Nil
Chairmanship/ membership of Committees of listed Companies	PI Industries Limited** Risk Management Committee – Chairperson Corporate Social Responsibility Committee – Member Administrative Committee – Chairperson M&A Committee - Chairperson	PI Industries Limited** Stakeholder’s Relationship Committee- Member Risk Management Committee – Member Corporate Social Responsibility Committee – Member Administrative Committee – Member M&A Committee - Member	SBI Life Insurance Co. Limited Audit Committee- Member Nomination & Remuneration Committee- Member Risk Management Committee- Member Kirloskar Brothers Limited Audit & Finance Committee- Chairperson PI Industries Limited** Audit Committee – Chairperson Risk Management Committee - Member Stakeholder’s Relationship Committee – Member M&A Committee - Member
Skills and capabilities required for the role of Independent Director and the manner in which the proposed person meets such requirements.	NA	NA	Mr. Shobinder Duggal brings with him diverse and technical expertise in the areas of Finance & Taxation, Business Management & Corporate Strategies, Mergers & Acquisitions, Legal & Regulatory matters, Corporate Governance and Risk Management.

*Mr. Shobinder Duggal was appointed as an Additional Director w.e.f. November 12, 2021.

** W.e.f. August 10, 2022

Name of the Director	Mr. Narayan K. Seshadri	Ms. Pia Singh
Age	65 years	51 Years
DIN	00053563	00067233
Date of Birth	13.04.1957	26.12.1970
Qualification	Chartered Accountant	Finance Graduate from Wharton School of Business, University of Pennsylvania, U.S.A
Experience	Over 40 years of experience	Over 18 years of experience
Brief resume and nature of their expertise in specific functional areas	<p>Mr. Narayan K. Seshadri, with more than 40 years of distinguished corporate career, is a qualified Chartered Accountant who had 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. Mr. Seshadri had also worked with some large Fortune 500/ FTSE 100 companies to small start-ups in various international jurisdictions.</p> <p>He is also on the Board of many prominent Indian Companies such as Kalpataru Power Transmission Ltd., AstraZeneca Pharma India Ltd., SBI Life Insurance Co. Ltd., India Debt Resolution Company Limited etc. He is the founder and also serves as a board member of Tranzmute Capital & Management Pvt. Ltd., which provides new ideas on management and capital structuring to first generation entrepreneurs and family businesses. Mr. Seshadri was among the earliest private sector finance professionals to spot the opportunity in buying out troubled companies and reviving them. He was the member of Andersen's Global CEO advisory council, the only Indian partner to hold such a position.</p> <p>Mr. Seshadri has been associated with the company since 2006, he took the reigns as Chairperson of the Company with effect from October 5, 2016. During his tenure the Company has benefited significantly from Mr. Seshadri's expertise and experience across multiple disciplines from financial, legal and regulatory, risk management, corporate governance and human capital management. Furthermore, Mr. Seshadri has played a pivotal role in setting the strategic direction and growth plan while overseeing the Group's businesses policies and ensuring high governance standards. His present term as an Independent Director would expire on September 5, 2022. Therefore, Mr. Seshadri, would retire from the Board of the Company with effect from closing hours of September 05, 2022.</p>	<p>Ms. Pia Singh is a graduate from Wharton School of Business, University of Pennsylvania, U.S.A., with a degree in Finance. Ms. Singh has an extensive and rich experience of over two decades in the areas of business management, strategic planning and implementation. She began her career in the risk-undertaking department of GE Capital, an investment division of General Electric. Currently, she serves as a Director on the board of DLF Limited, India's largest publicly listed real estate company and a Chairperson of DLF Foundation which is the philanthropic arm of the DLF group. Prior to that, she was the Chairperson of DLF Retail Developers Limited, Director of DT Cinemas Limited and founder of Yogananda Films. She serves as a trustee of Ananda Sangha Trust and the Paramhansa Yogananda Public Charitable Trust. She is also the Co-president of the University of Pennsylvania, Institute for Advanced Study of India and a member of the University of Pennsylvania Asia Campaign Leadership Committee. Besides these, she also serves on the Board of Northern India Theatres Private Limited, Sukh Sansar Housing Private Limited, Solace Housing and Construction Private Limited, Pushpak Builders and Developers Private Limited, Arihant Housing Company, DLF Brands Private Limited, Madhukar Housing and Development Company, Sambhav Housing and Development Company, Udhyan Housing and Development Company and Anubhav Apartments Private Limited.</p>
Terms and condition of appointment / Re-appointment	As mentioned in the Explanatory Statement	As mentioned in the Explanatory Statement
Date of first appointment on the Board	27.01.2006	03.08.2022
Shareholding in the Company as on 31.03.2022	4,84,259 equity shares of Re.1/- each	32,500 equity shares of Re.1/- each
Disclosure of Relationship between Directors inter-se	None	None
No. of Meetings of Board attended during the year	4	Nil*

Name of the Director	Mr. Narayan K. Seshadri	Ms. Pia Singh
Names of the listed Companies in which person holds Directorship	PI Industries Limited Kalpataru Power Transmission Limited AstraZeneca Pharma India Limited SBI Life Insurance Co. Limited	DLF Limited
Names of listed Companies in which person ceased to be a Director in past three years	Iris Business Services Limited TVS Electronics Limited ZF Commercial Vehicle Control Systems India Limited (formerly known as WABCO India Limited). Poonawalla Fincorp Limited (Formerly known as Magma Fincorp Limited) CG Power and Industrial Solutions Limited	Nil
Chairmanship/ membership of Committees of listed Companies	PI Industries Limited** Audit Committee- Member Nomination and Remuneration Committee- Member Risk Management Committee- Member M&A Committee - Member SBI Life Insurance Co. Limited Audit Committee- Chairperson Risk Management Committee- Member Nomination and Remuneration Committee- Chairperson Corporate Social Responsibility Committee- Member Investment Committee- Chairperson Policyholder Protection Committee- Chairperson Kalpataru Power Transmission Limited Audit Committee- Member Risk Management Committee- Chairperson AstraZeneca Pharma India Limited Audit Committee- Member Nomination and Remuneration Committee- Member	PI Industries Limited** Audit Committee- Member Nomination and Remuneration Committee- Member Corporate Social Responsibility Committee- Chairperson DLF Limited Corporate Social Responsibility Committee- Chairperson
Skills and capabilities required for the role of Independent Director and the manner in which the proposed person meets such requirements.	NA	NA

*Ms. Pia Singh was appointed as an Additional Director w.e.f. August 3, 2022.

** W.e.f. August 10, 2022

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

a. **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 September 03, 2022. 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 FY 2022-23.
- III. Category of the Member:
 - i. Mutual Fund
 - ii. Insurance Company
 - iii. Alternate Investment Fund (AIF) Category I and II
 - iv. AIF Category III
 - v. Government (Central/State Government)
 - vi. Foreign Portfolio Investor (FPI) /Foreign Institutional Investor (FII): Foreign Company
 - vii. FPI/FII: Others (being Individual, Firm, Trust, AJP, etc.)
 - viii. Individual
 - ix. Hindu Undivided Family (HUF)
 - x. Firm
 - xi. Limited Liability Partnership (LLP)
 - xii. Association of Persons (AOP), Body of individuals (BOI) or Artificial Juridical Person (AJP)
 - xiii. Trust
 - xiv. Domestic company
 - xv. Foreign company.
- IV. Email Address.
- V. Address.

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 September 03, 2022 for their respective category, in order to comply with the applicable TDS provisions.

I. 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 Sec 197A (1E) of the IT Act.
- viii. **Government (Central/State):** No TDS is required to be deducted as per Sec 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 ₹5000/.
 - c. Normal dividend/s distributed in the 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.

II. 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.

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 **(as per Annexure 1 to this Communication)**.

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.

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:

- i. At twice the rate specified in the relevant provision of the Act
- ii. At twice the rate or rates in force; or
- iii. 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 September 03, 2022. Please note that no communication in this regard, shall be accepted post September 03, 2022

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 2022-23 for non-residents:

a. Non-Resident:

(i) Individual, HUF, AOP, BOI, AJP, Trust

Dividend Income	Rate
Upto ₹ 50 lakhs	NIL
Income exceeds ₹ 50 lakhs but does not exceed ₹ 1 crore	10%
Income exceeds ₹ 1 crore	15%

(ii) Co-operative society or Firm, registered under applicable Indian law

Aggregate Income	Rate
Income exceeds ₹ 1 crore	12%

(iii) Foreign company

Dividend Income	Rate
Income exceeds ₹ 1 crore but does not exceed ₹10 crores	2%
Income exceeds ₹ 10 crore	5%

- V. Normal dividend/s distributed in the 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 2022-23 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)

Annexure 1

FORMAT FOR DECLARATION FOR CLAIMING BENEFITS UNDER DTAA

Dated: _____

To,
PI Industries Limited
 Udaisagar Road,
 Udaipur – 313001, Rajasthan, India
 Email: investor@piind.com

Subject: Declaration for eligibility to claim benefit under Double Taxation Agreement between Government of India and Government of
 <mention country of tax residency> (“DTAA”), as modified by Multilateral Instrument (“MLI”), if applicable

With reference to above, I/We wish to declare as below:

1. I / We, <Full name of the shareholder>, having permanent account number (PAN) under the Indian Income tax Act, <mention PAN >, and holding <mention number of shares held> number of shares of the Company under demat account number/ folio number as on the Book Closure Date from __,2022 to __,2022 (both days inclusive), am / are a tax resident of <country name> in terms of Article 4 of the DTAA as modified by MLI (if applicable) and do not qualify as a ‘resident’ of India under section 6 of the Indian Income-tax Act, 1961 (“the IT Act”). A copy of the valid tax residency certificate for <period>, which is valid as on the Book Closure Date, is attached herewith.
2. I/We am/are eligible to be governed by the provisions of the DTAA as modified by MLI (if applicable), in respect of the dividend income and meet all the necessary conditions to claim treaty rate.
3. I/We am/are the legal and beneficial owner of the dividend income to be received from the Company.
4. I/We do not have a Permanent Establishment (“PE”) in India in terms of Article 5 of the DTAA as modified by MLI (if applicable) or a fixed base in India and the amounts paid/payable to us, in any case, are not attributable to the PE or fixed base, if any, which may have got constituted otherwise.
5. I/We do not have a PE in a third country and the amounts paid/payable to us, in any case, are not attributable to a PE in third jurisdiction, if any, which may have got constituted otherwise.
6. I/We do not have a Business Connection in India according to the provision of section 9(1)(i) of the Act and the amounts paid/payable to us, in any case, are not attributable to business operations, if any, carried out in India.

I/We hereby certify that the declarations made above are true and bonafide. In case in future, any of the declarations made above undergo a change, we undertake to promptly intimate you in writing of the said event. You may consider the above representations as subsisting unless intimated otherwise.

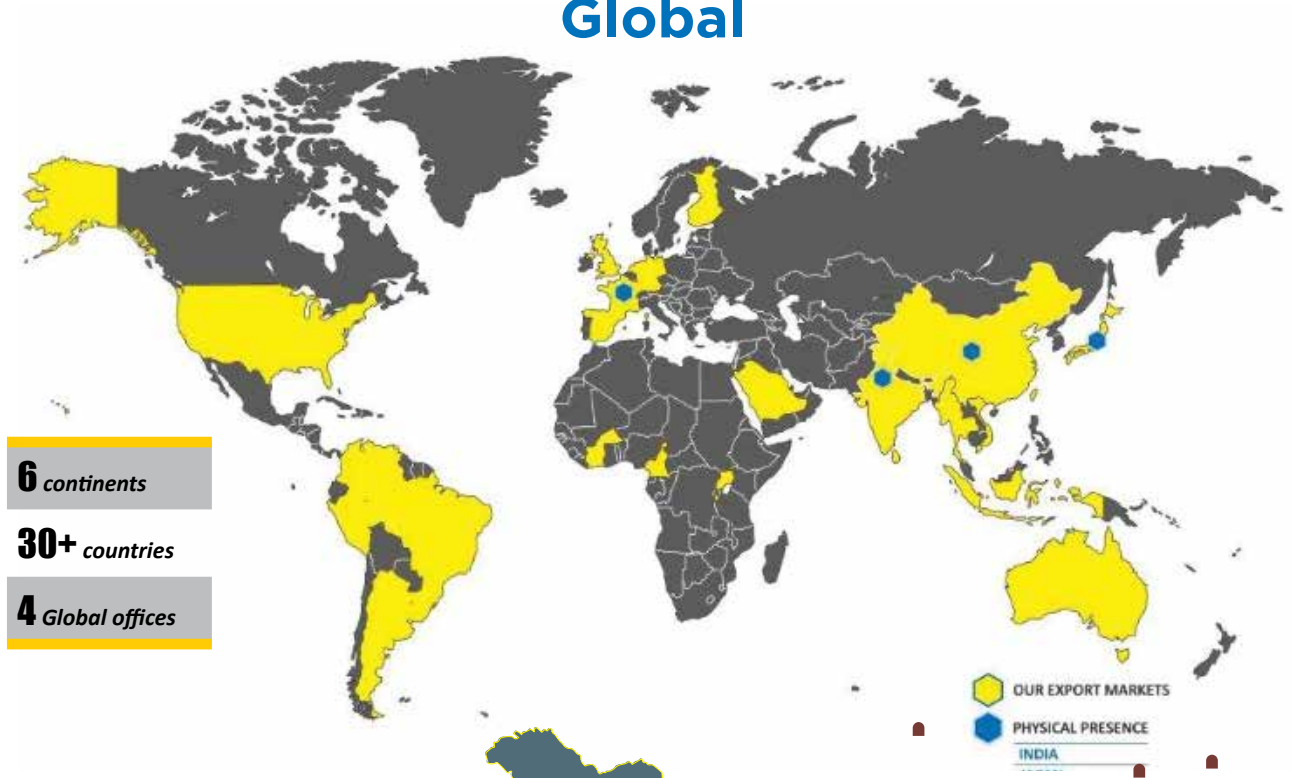
I/we in the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by me, I will be responsible to pay and indemnify such income tax demand (including interest, penalty, etc.) and provide the Company with all information / documents that may be necessary and co-operate in any proceedings before any income tax / appellate authority.

For <Mention the name of the payee>

Authorised Signatory
 <Name of the person signing>
 <Designation of the person signing>

Our Geographical Presence

Global

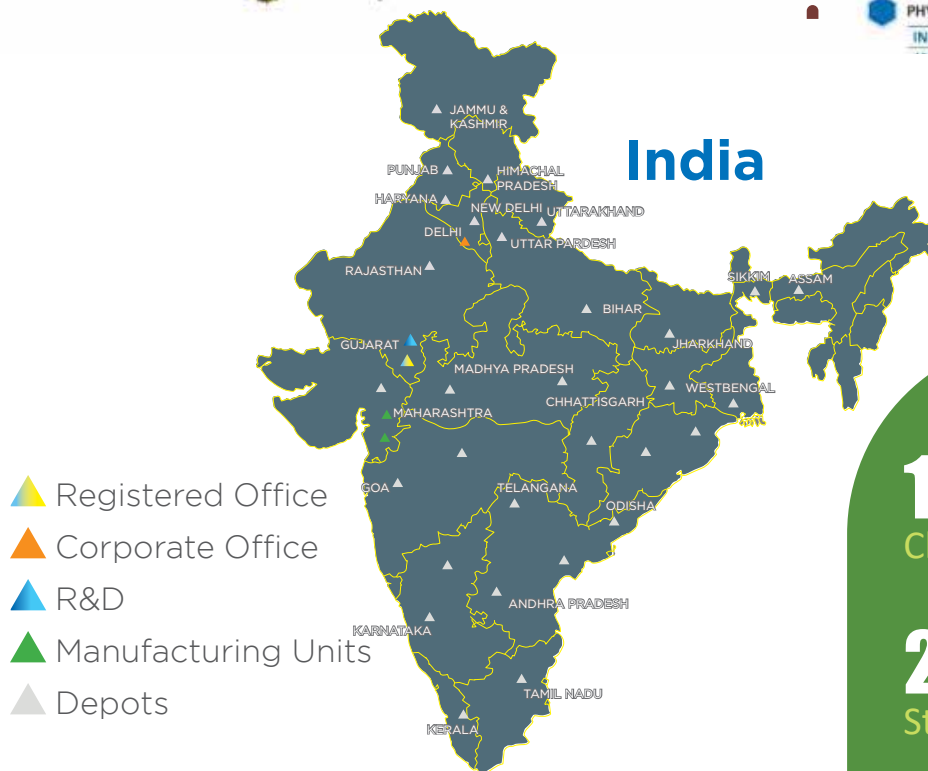


6 continents

30+ countries

4 Global offices

India



▲ Registered Office

▲ Corporate Office

▲ R&D

▲ Manufacturing Units

▲ Depots

■ Global offices

10,000+
Channel Partners

25
Stock Points

70,000+
Retailers



Inspired by Science

Registered Office: PI Industries Ltd

Udaisagar Road, Udaipur - 313001.

Tel: +91 – 0294 - 6651100 | Fax: +91 – 0294 - 2491946

CIN: L24211RJ1946PLC000469

Corporate Office: PI Industries Ltd

5th Floor, Vipul Square, B Block, Sushant Lok, Phase - 1, Gurugram-122009.

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Website: www.piindustries.com