

RESPONSIBLE  
 GROWTH  
 for a better tomorrow



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# 01. INTRODUCTION

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

**PURPOSE**  
Reimagining a healthier planet

**VISION**  
To lead with science, technology, and human ingenuity to create transformative solutions in life sciences

**VALUES**

**Courageous**

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

**Curious**

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

**Creative**

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

**Caring**

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

## ENHANCED CAPABILITIES

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

Notice

Financial Statements

Management Reports

Corporate overview

4 Annual Integrated Report 2022-23

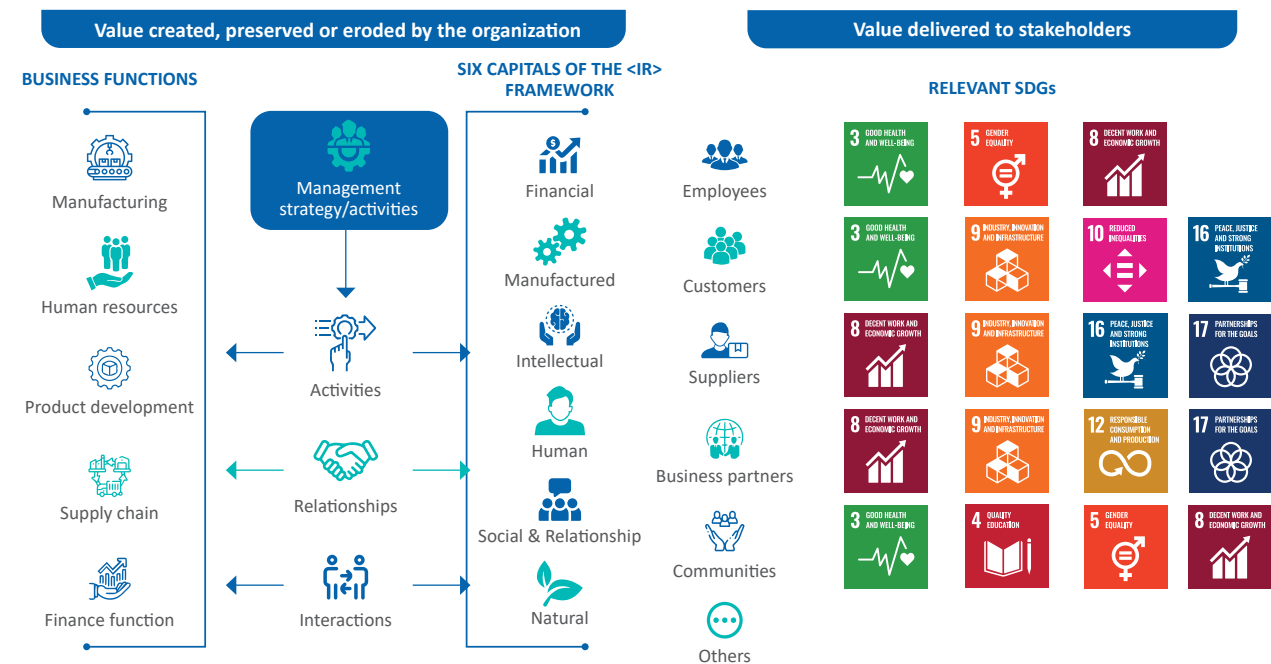
Annual Integrated Report 2022-23 5



# Our approach to reporting

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

## Value creation process



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

# Value creation and the <IR> Framework

The six capitals of value creation at PI are given in the section on our Business Model in subsequent sections. Our report meticulously examines the impact of our business activities and resulting outputs on the values of these essential capitals. The comprehensive analysis is structured around

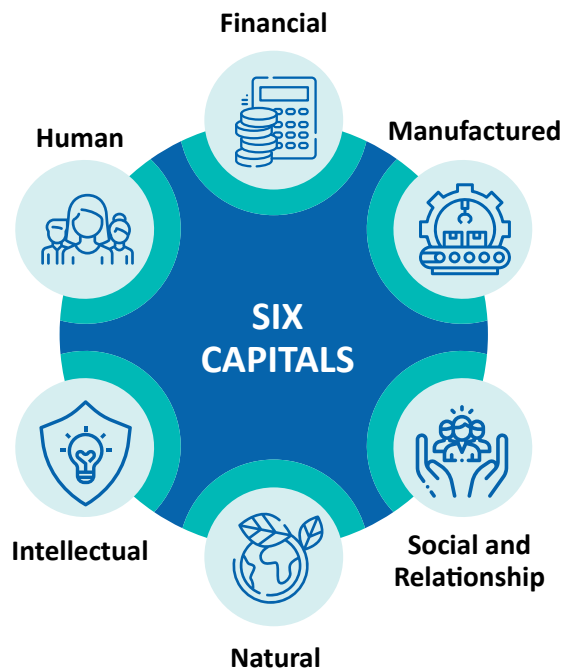
eight key content elements, illuminating the intricate process through which value is created or eroded. Throughout the preparation and presentation of our disclosures, we have adhered to the seven guiding principles outlined by the <IR> Framework, ensuring a robust and transparent approach.

### Content elements

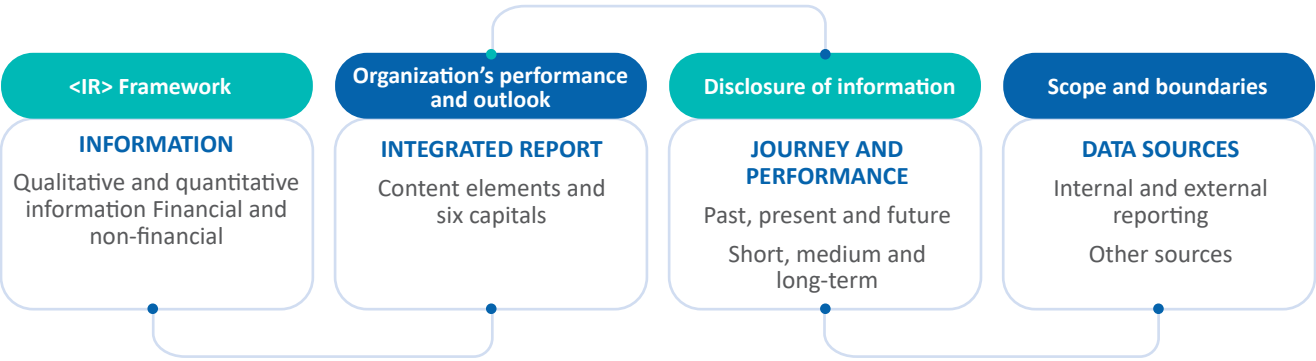
- Organizational overview and external environment
- Governance
- Business model
- Risks and opportunities
- Strategy and resource allocation
- Performance
- Outlook
- Basis of preparation and presentation

### Guiding principles

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



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



# Working towards Responsible Growth for a Better Tomorrow

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

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

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

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

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

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

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

“

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

encompassing agro-chemistry, electronic chemicals, and product lifecycle management.

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

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

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





# Foreword

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

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

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

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

and providing innovative, sustainable, and environmentally responsible agrochemical solutions that enhance crop productivity while preserving our planet’s resources.

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

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

Similarly, this report is an endeavor to demonstrate how we generate value through our business activities supported by continuous stakeholder engagement built on a foundation of strong corporate governance. We measure our ability to create value for the long-term through the six capitals viz. financial, manufactured, intellectual, human, social and relationship, and natural. While we seek to deliver for the environment, we are also laser-focused on profitability and reaching our medium-term target of mid-to high-teens revenue growth. We believe that our team is on the path to grow intelligently and profitably and to methodically build a category-shifting brand. We understand that sustainable value

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

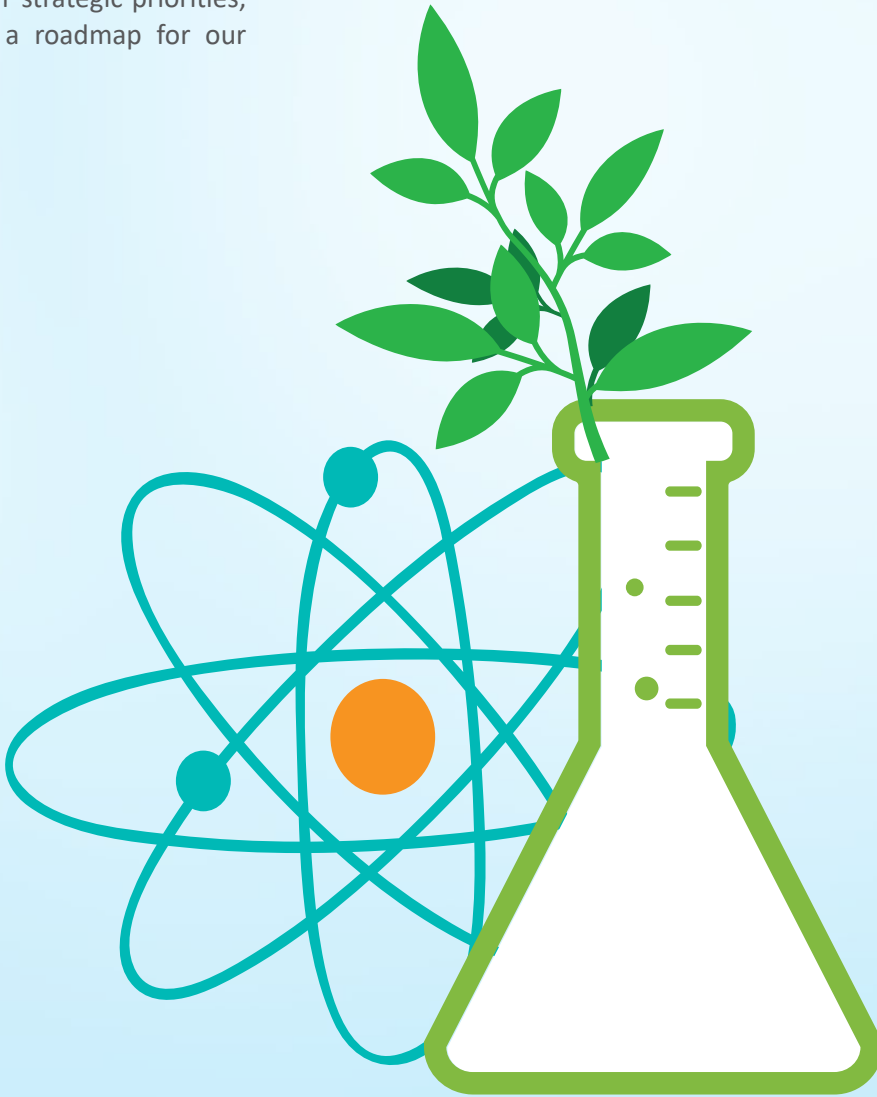
creation requires us to stretch beyond our immediate operations. We actively engage with our supply chain partners, customers and local communities to bring multiple perspectives into our decision-making processes. Responsible growth needs a sensitive organizational culture that fosters positive change in the organization and the external environment.

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

ongoing commitment to sustainable development.

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

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



## Disclosure frameworks and reporting standards

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

### Mandatory compliance:

Companies Act, 2013

Listing Obligations and Disclosure Requirements, 2015

Secretarial Standards

Indian Accounting Standards

### Voluntary adherence:



## Scope and boundaries

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

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

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

## Forward-looking statements

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

## KEY REPORTS AND DOWNLOADS AVAILABLE PUBLICLY

### Sustainability report



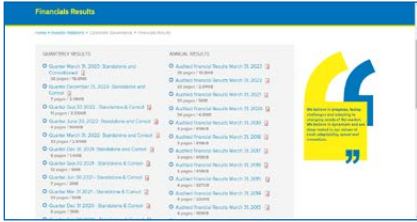
[www.piindustries.com/sustainability/Reports/Sustainability-Report](http://www.piindustries.com/sustainability/Reports/Sustainability-Report)

### Annual report



[www.piindustries.com/investor-relations/co-go/annual-reports](http://www.piindustries.com/investor-relations/co-go/annual-reports)

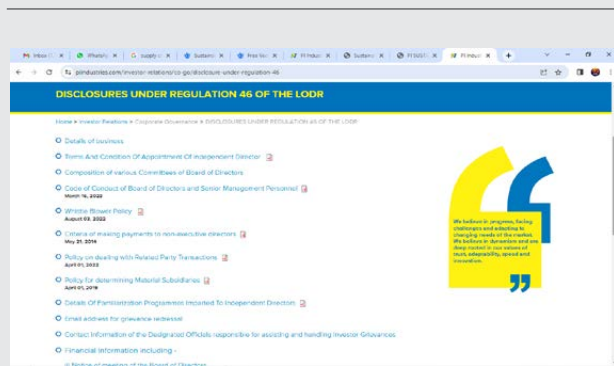
### Financials



[www.piindustries.com/investor-relations/co-go/Financials-Results](http://www.piindustries.com/investor-relations/co-go/Financials-Results)

## Disclosure of information on PI's corporate website

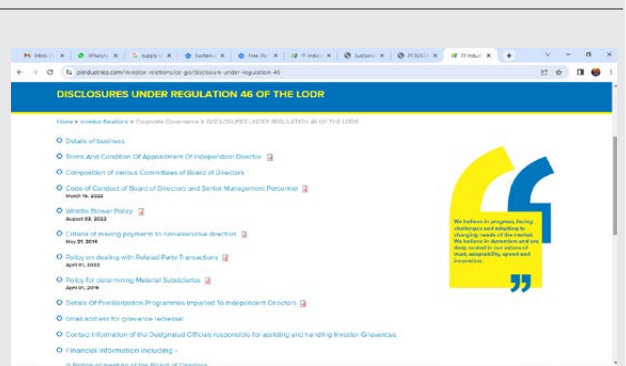
### Investor relations



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

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

### Sustainability



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

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

We solicit your feedback on our first annual integrated report. You can send us your comments at [sustainability@piind.com](mailto:sustainability@piind.com)





## Independent Assurance Statement

### The Management and Board of Directors

PI Industries Limited  
5th Floor, Vipul Square  
B - Block, Sushant Lok, Phase - 1,  
Gurugram - 122009, Haryana, India

### Scope

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

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

### Criteria applied by the Entity

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

### The Entity's Responsibilities

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

### EY's responsibilities

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

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

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

### Our independence and quality management





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

**Our independence and quality management**

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

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

**Description of procedures performed**

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

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

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

Our procedures included:

- Review of the standard disclosures regarding the company's material sustainability aspects contained in the report;
- Review of consistency of data / information within the report;
- Conducted interviews with select personnel from sites and corporate teams to understand the process for collecting, collating and reporting the subject matter as per <IR> framework published by International Integrated Reporting Council and the key performance indicators as per Global Reporting Initiative (GRI) Standards
- Review and execution of an audit trail of claims and data streams, on a selective test basis, to determine the level of accuracy in collection, transcription and aggregation processes followed;
- Checked that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Criteria

- Remote verification of data, on a selective test basis, for the six sites (PN 01, PN 02, PN 03, PN05 and PN06 in Gujarat and one R&D division in Rajasthan) and corporate offices and owned depots, and indicators, through consultations with the site teams and corporate team;
- Undertook analytical review procedures to support the reasonableness of the data through consultations with the corporate sustainability team
- Review of the Company's plans, policies, and practices, pertaining to their social, environmental, and sustainable development, to be able to make comments on the fairness of integrated reporting;

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

The assurance scope excludes:

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

**Conclusion**

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

**Restricted use**

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

For and on behalf of Ernst & Young Associates LLP.



Saunak Saha  
Partner  
25<sup>th</sup> July 2023  
Gurugram, India



## 02. About PI Industries Limited

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

At PI Industries, we are committed to identifying new opportunities by delivering innovative solutions to our customers. We understand that integrating ESG

into our business strategy is crucial for sustainable value creation and a resilient future. Our corporate philosophy of conducting business responsibly and sustainably has been validated through our track record on EcoVadis, Together for Sustainability, and our recent participation in Corporate Sustainability Assessment and ranking in S&P Global.

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

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

Our world-class R&D facility at Udaipur hosts a team of 473 scientists and researchers supported by advanced research and development labs, kilo plants, and pilot plants. These plants are NABL certified. Our R&D teams have over time proven their capability by delivering transformative solutions, timely product

supplies, and cost efficiencies and have forged symbiotic partnerships with more than 20 global innovators.

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

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

3,354  
Employees in FY23

05  
Formulation facilities

15  
Multi-purpose plants

04  
Manufacturing locations