

## **PI INDUSTRIES LIMITED: COUNTRY-BY-COUNTRY TAX DISCLOSURE**

### **INTRODUCTION**

We are pleased to present the Country-by-Country Tax Report for PI Industries Limited for the Financial Year 2023-24, in accordance with the Organization for Economic Co-operation and Development (OECD) guidelines as well as the provisions of Income Tax Act, 1961 in India. This report provides a comprehensive overview of our tax related activities and financial information across various countries in which we operate, as mandated by the OECD Base Erosion and Profit Shifting (BEPS) Action recommendations.

### **TAX REPORTING**

PI Industries' tax strategy and policy are designed to enable the conduct of business and delivering performance responsibly, with integrity and in compliance with all applicable tax laws and regulations. PI adopts a transparent and collaborative approach with all institutions and associations to support the development of effective tax systems in the various countries in which we operate.

### **OVERVIEW OF PI INDUSTRIES BUSINESS**

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.

### **BUSINESS SEGMENTS**

PI Industries' business model is built on the principles of respect for intellectual property (IP) and established relationships. We have the following major business segments:

- **Domestic Agri Business** segment manufactures and markets agrochemicals, plant nutrients and plant health products, leveraging the power of its PAN-India network of distributors. This segment focuses on innovation to introduce new products in the form of in-licensed, branded generics, and co-marketed agricultural products through strategic partnerships with global innovators. We are the pioneers in the introduction of granular formulations in India and are the largest sellers in this segment – insecticides, fungicides, herbicides, and other specialty chemicals.
- **Custom Synthesis and Manufacturing** segment is India's largest CRAMs business with majority of its revenue coming from Patented products. Leveraging on chemistry process research and manufacturing capabilities,

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this business caters to global innovators (agrochemical and pharmaceutical clients) specializing in synthesis of complex molecules, intermediates, and active ingredients, thereby enabling IP creation.

- **R&D Services:** We have a state-of-the-art R&D centre, kilo lab, pilot plant and manufacturing & analytical facilities and a well experienced team of scientists. This enables availability of end-to-end infrastructure and capabilities (from gram scale to 5 typical batches to commercial production) at one place.
- **Health Sciences:** PI Health Sciences segment operates as a pharmaceutical contract research organization. It offers cutting-edge CRO, CDMO, KSM & API solutions across the pharmaceutical value chain, delivering innovative solutions with human ingenuity to create transformative solutions.

## OUR ENTITIES

As on March 31, 2024, the Company had ten (10) wholly owned subsidiaries (including step-down subsidiaries) as follows:

- **Jivagro Limited:** The Company owns 100% stake in Jivagro Limited. It is engaged in horticulture business.
- **PI Health Sciences Limited:** The Company owns 100% stake in PI Health Sciences Limited, which carries on principal activities of research, preparation, manufacture, distribution and sale of active pharmaceutical ingredients (API) and intermediates.
- **PI Life Science Research Limited:** The Company owns 100% stake in PI Life Science Research Limited, which carries on the business of R&D for developing new products.
- **PI Japan Co. Limited:** The Company owns 100% stake in PI Japan Co. Limited, incorporated in Japan, which takes care of business development activities of the Company in Japan.
- **PILL Finance and Investments Limited:** The Company owns 100% stake in PILL Finance and Investments Limited.
- **PI Bioferma Private Limited:** The Company owns 100% stake in PI Bioferma Private Limited, which is yet to start business operations.
- **PI Fermachem Private Limited:** The Company owns 100% stake in PI Fermachem Private Limited, which is yet to start the business operations
- **PI Health Sciences Netherlands BV:** PI Health Science Limited owns 100% stake in PI Health Sciences Netherlands BV, which is mainly engaged in the activities of investing and financing.
- **Archimica SpA:** PI Health Science Netherlands BV owns 100% stake in Archimica SpA, which operates in Italy in the field of manufacturing and selling of Active Pharmaceutical Ingredients (API).

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- **PI Health Sciences USA LLC:** PI Health Science Netherlands BV owns 100% stake in PI Health Science USA LLC, which is mainly engaged in providing contract research services.

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 part of the Annual Integrated Report for FY 2023-24 disclosed on the company website.

### OUR COUNTRY-BY-COUNTRY REPORTING FOR FY 2023-24

The information provided reflects a break-down of the FY 2023-2024 revenues, Profit (Loss) before taxes, Corporate Tax Expense (Income), Corporate Taxes Paid (Refund) and the Number of employees in the key countries and regions where PI Industries and its subsidiaries operate.

Name of the Multinational Enterprise group: PI Industries											
Reportable accounting year: FY 2023-24											
Currency used: INR (Million)											
Name of the Company	Tax Jurisdiction	Revenues			Profit (Loss) before Income Tax	Income Tax Paid (on Cash Basis) As per cash flow	Income Tax Accrued – Reportable Accounting Year	Stated Capital	Accumulated Earnings	Number of Employees (as on 31st March 2024) #	Tangible Assets other than Cash and Cash Equivalents
		Unrelated Party	Related Party	Total							
PI Industries Limited	India	73,697	1,055	73,667	19,918	3,569	3,466	152	63,178	3,568	37,801
Jivagro Limited	India	2,511	37	0.0	246	86	80	1,488	847	124	529
PI Life Science Research Limited	India	112	68	0.0	86	16	17	15	320	3	2
PILL Finance and Investments Limited	India	7	1	0.0	7	1	1	4	48	-	1
PI Bioferma Private Limited	India	-	-	-	(0.1)	-	-	1	(0.3)	-	-
PI Fermachem Private Limited	India	-	-	-	(0.1)	-	-	1	(0.3)	-	-
PI Health Science limited	India	0.0	231	522	(747)	1	-	4,410	(262)	245	1,630
Archimica SPA	Italy	0.0	-	2,770	(350)	23	-	908	383	121	2,326
PI Health Sciences Netherlands BV	Netherlands	0.0	145	147	(84)	-	-	2,064	(118)	-	-
PI Health Sciences USA LLC	USA	0.0	-	157	(46)	-	-	123	(44)	2	141
PI Japan Limited	Japan	0.1	51	0.0	2	1	1	3	21	3	1
PII ESOP Trust	India	3	0.4	0.0	4	0.2	1	0.0	2	-	-

# Number of Employees as of 31<sup>st</sup> March 2024 represents on-roll full time employees and does not include contractual and third-party payroll employees.