

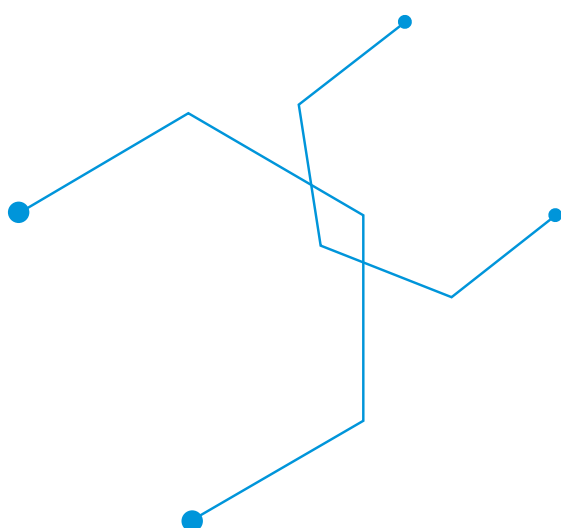


REDEFINING AND
INNOVATING.
CONSTANTLY
AHEAD OF TIME.

PI Industries Ltd.

ANNUAL REPORT 2016-17

CONTENTS



Corporate Overview

- 01 Redefining and Innovating. Constantly Ahead of Time.
- 02 PI in Brief
- 04 Our Evolution
- 06 Offering Across the Value Chain
- 07 Sustainability, Our Priority
- 08 Financial Highlights
- 10 From the Desk of The Chairman
- 12 A Session with The Managing Director
- 14 Board of Directors
- 16 Senior Management
- 17 Corporate Information
- 18 Key Events & Recognitions
- 20 Harnessing Human Capital
- 22 Corporate Social Responsibility

Management Reports

- 26 Management Discussion and Analysis
- 36 Directors' Report
- 63 Corporate Governance Report & Certificates
- 79 Business Responsibility Report

Financial Statement

- 88 Standalone Financial Statements
- 150 Consolidated Financial Statements

214 Notice of AGM

Cautionary Statement Regarding Forward-Looking Statement

Statement 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 in the statement. Important factors that could influence PI Industries Limited operations include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors, such as litigation and industrial relations.



REDEFINING AND INNOVATING. CONSTANTLY AHEAD OF TIME.

Being inspired by science, innovation runs deep at PI. The sheer possibilities that chemistry harbours for shaping a better world inspires us and our thirst for innovation continues to get stronger by the day. Our spirit of innovation is driven by our quest to find better ways of doing things and commitment towards continued investments in capability building, R&D and knowledge assets.

Our success rests on constantly delivering value across the agri value chain and we have been setting new benchmarks in the agrichem domain on sustainable basis.

Our integrated business strategies are backed by prominent brand positions, best in-class quality of operations and long-standing relationships built on the principles of trust. At PI, we constantly evaluate our strategies to stay ahead of competition by making right choices at the right time.

Acknowledging the fact that one who stays ahead of time stays ahead of the curve, we endeavour to expand our value proposition by leveraging our assimilated expertise and skills in the fine chemicals universe, thus, going beyond agrichem. We are leading the innovation journey that will prove to be ahead of its time, in times to come.



**Innovation
distinguishes
between a
leader and a
follower**

-Steves Jobs

PI IN BRIEF

Incorporated in 1947, we, at PI Industries, focuses on complex chemistry solutions in the field of Agri-Sciences. Channelising the collective strength of over 2,000 employees, we currently operate 3 formulation facilities and 8 multi-product plants, strategically located at our 3 manufacturing locations. These state-of-the art facilities have integrated process development teams with in-house engineering capabilities.

We maintain a strong research presence through our R&D facility at Udaipur, which deploys a dedicated team of scientists and chemists. The facility includes advanced research and development labs, kilo plants and pilot plants with NABL certification.

Over the years, we have successfully leveraged our capabilities across the Agri-Sciences value chain by providing integrated and innovative solutions to our customers through a good partnership. Trust, Integrity and IP protection forms the solid foundation of our business. Having formed partnerships with leading companies globally, we, at PI Industries provide solutions across the fields of research & development, regulatory services, manufacturing services, application development, marketing, distribution and customer connect initiatives.

PI Industries has brought value-added offerings to millions of farmers in the country and across the globe, thereby creating a favourable impression in the minds of the local and global customers. Strong technical capabilities in the areas of research and development, manufacturing services, brand building, strong distribution presence in India and customer-connect initiatives help us chart a differentiated course for stakeholder's value creation.

Given our partnership approach to business At PI Industries, we are geared up to deliver accelerated performance by matching our well-integrated capabilities with attractive global opportunities.



VISION

“Building on the foundation of trust, we shall be at the forefront of science-led opportunities by delivering innovative solutions.”

VALUES



TRUST.

LIKE THE EARTH, WE ARE DEPENDABLE

We work with integrity of purpose, honesty in action and fairness in all our dealings.



SPEED.

BLAZING AHEAD, LIKE FIRE

Quick and agile like fire, we constantly strive to work with speed in the way we observe, think and act.



ADAPTABILITY.

ADAPTIVE, LIKE WATER

Constantly transforming ourselves like water, we are free flowing, adapting and highly responsive to change.



INNOVATION.

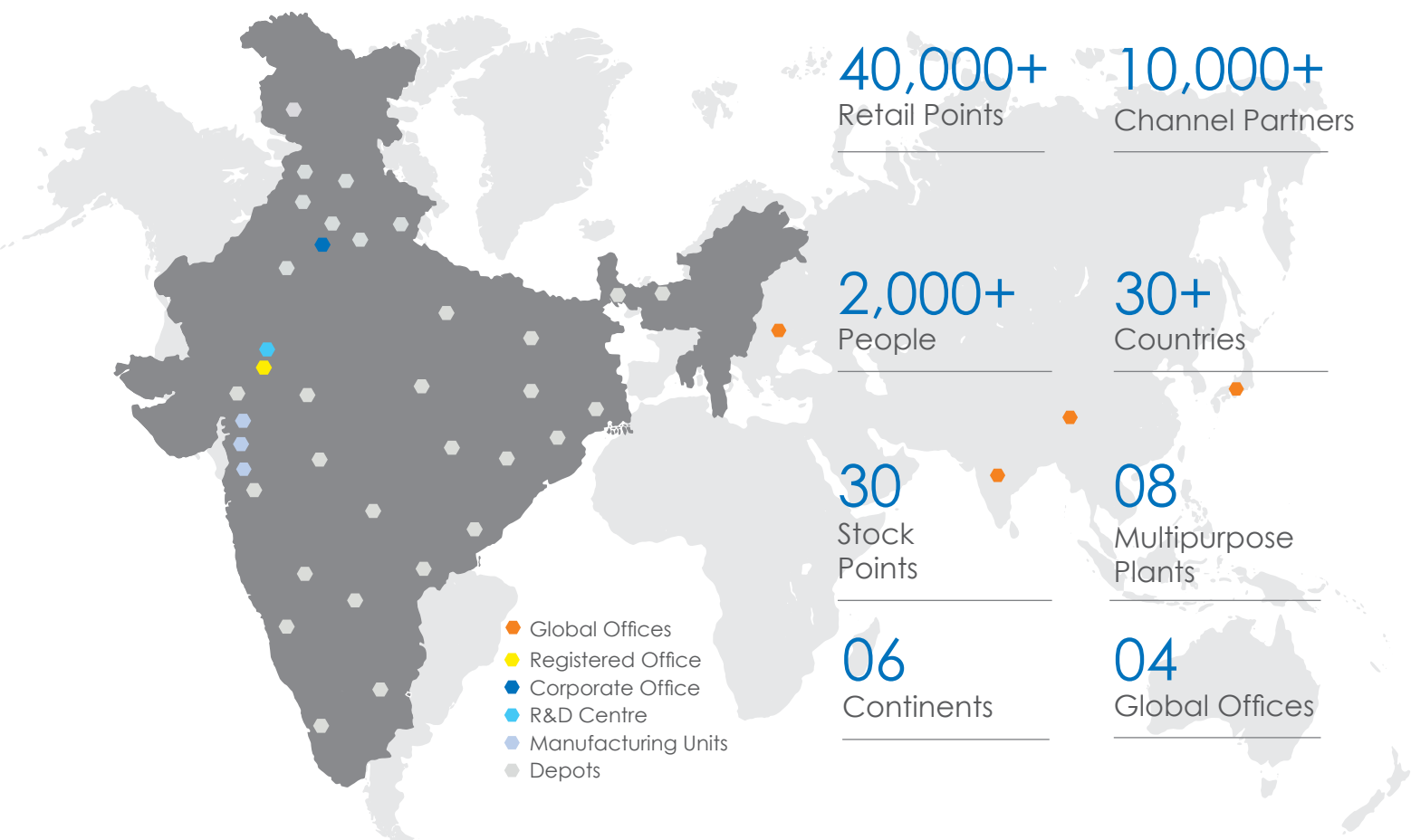
ENLIVENING, LIKE THE AIR

A constant quest for reaching new horizons, the never ending search for a better and novel way to do things, Innovation is a way of life for us.

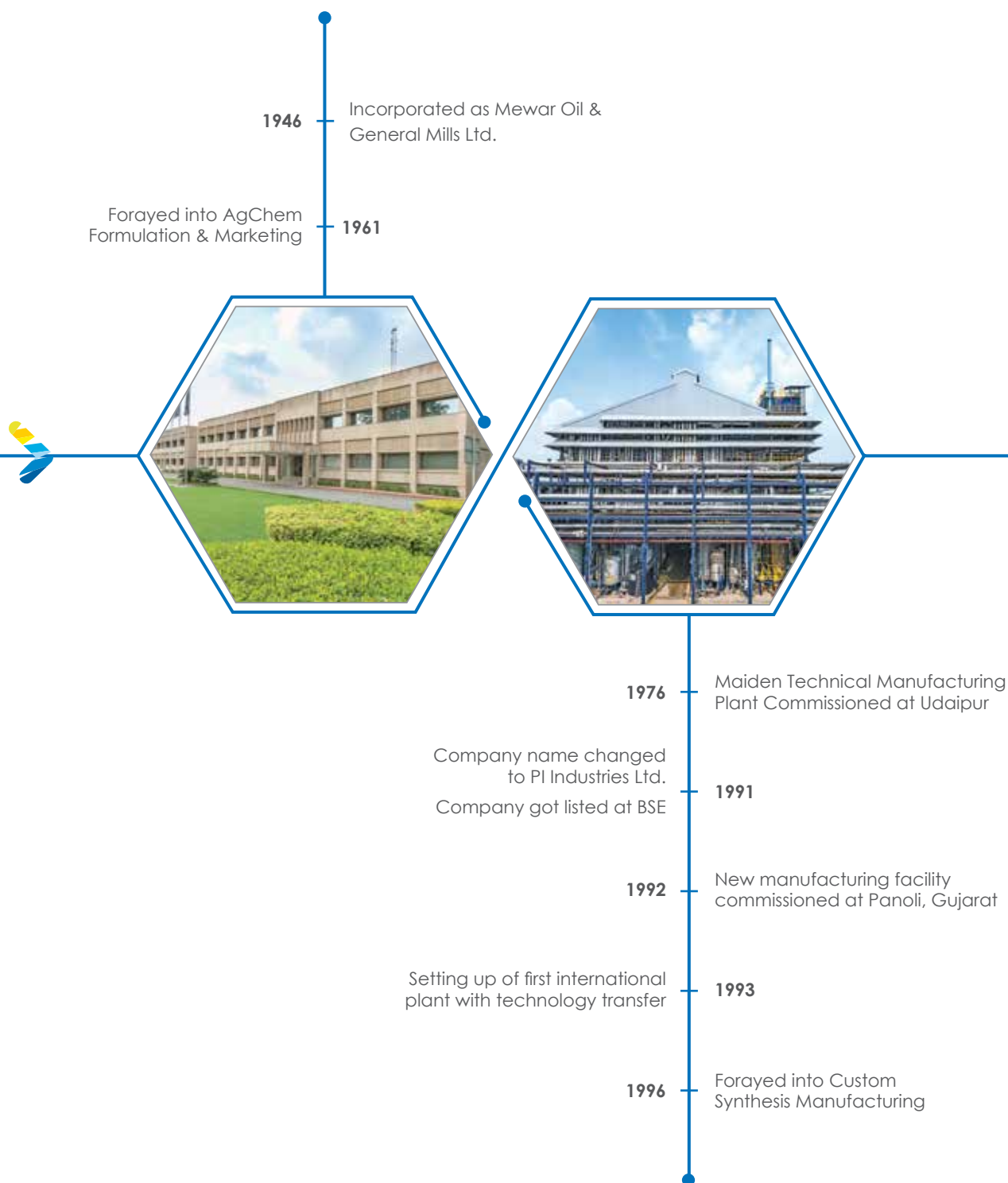


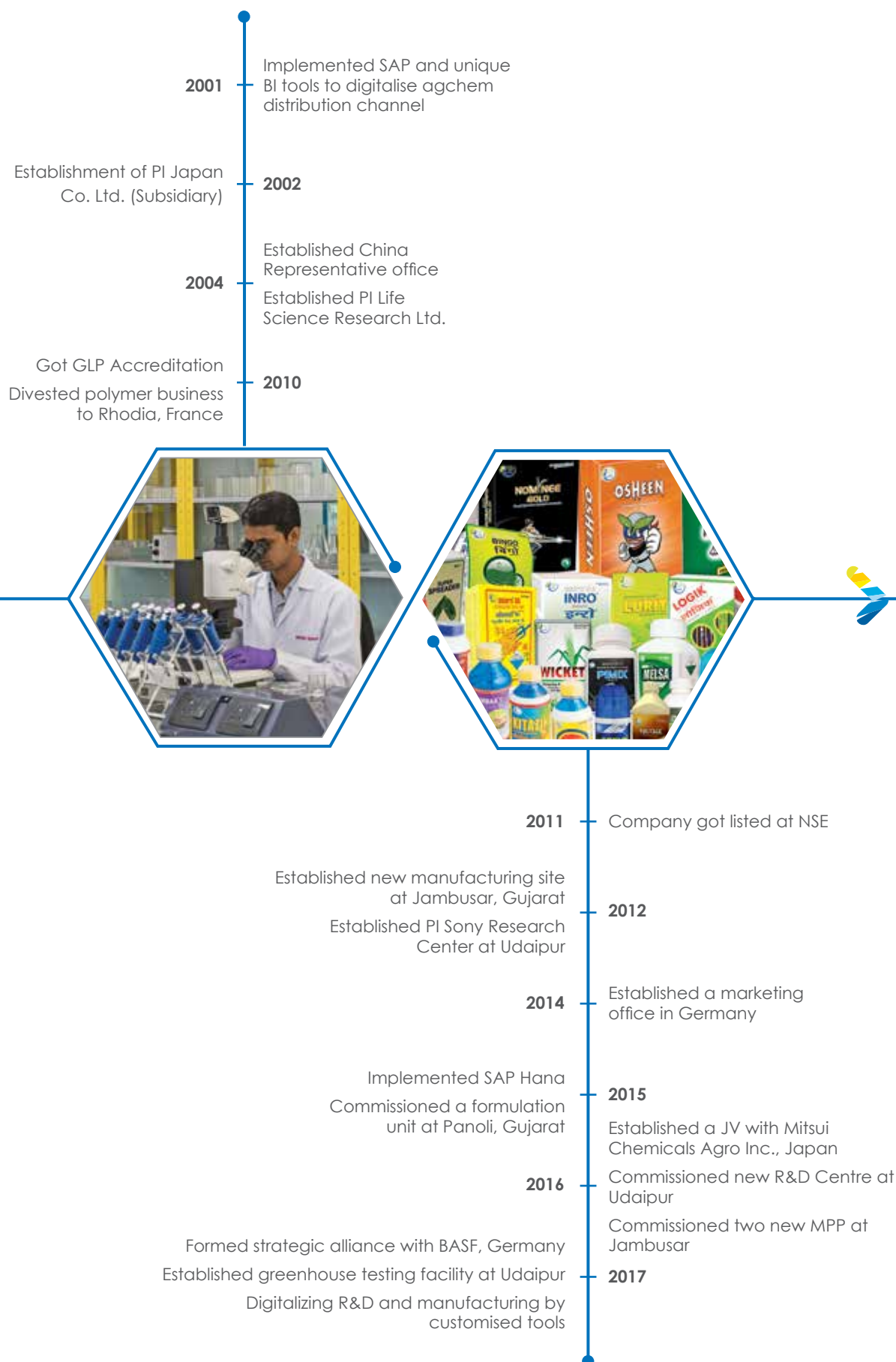


GEOGRAPHICAL FOOTPRINT



OUR EVOLUTION





OFFERING ACROSS THE VALUE CHAIN

Discovery & Development



Scale-up



Evaluation & Trials



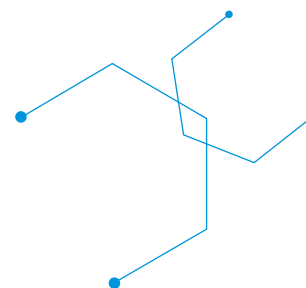
Registration & Regulatory Services



Manufacturing



Marketing & Distribution



“Leverage our capabilities across the Agri Sciences Value Chain by providing Integrated and Innovative Services & Solutions by Partnering with the best.”

SUSTAINABILITY, OUR PRIORITY

As a business enterprise that has steadily evolved over the last seven decades, at PI Industries, we remain committed to pursue our business in a sustainable manner. Pursuing sustainable value creation, we balance our business interest with that of environment and social well-being of our employees, channel partners and communities and farmers. We continue to make all round improvement in our EHS performance with holistic adherence to the prescribed principles of Responsible Care® and feature among select companies in India which are entitled to use their logos.

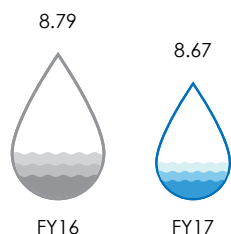
A robust EHS Management System is put in place to ensure a safe and healthy workplace and a clean environment for both the employees as well as adjoining community. We focus on environment sustainability through focused efforts on reducing carbon footprint, energy and water conservation, usage of renewable energy, water recycling etc. Our company's accreditations under ISO 14001 and ISO 18001 are testimony of our commitment towards environment

protection and safety. We deploy all required environmental infrastructure at manufacturing sites.

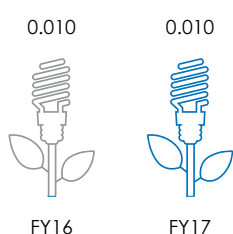
Keeping better employee health a priority, half-yearly health checkup is conducted for the employees and contract workers. We arrange lifestyle improvement sessions and conduct preventive health check-ups at discounted prices for employees and their families. Besides, Occupational Health Centers operate 24x7 in all units running 24x7, manned by doctors and male nurses. Nearly 25% of our employees form part of trained first aid team. Our Community Development Initiatives (CSR) remain focused on Water Conservation, Healthcare, Education and Livelihood, as detailed in the CSR Section forming part of this report.

Bagging Golden Peacock Award for Environment Management, second time in a row and Shreshtha Suraksha Puraskar from National Safety Council, India stands testimony to our efforts on sustainable development.

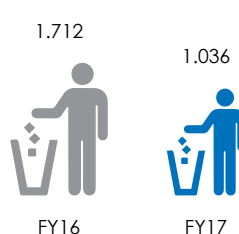
Water Consumption per tonne



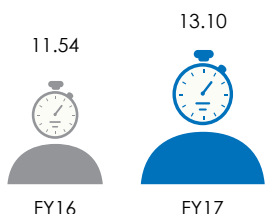
Energy consumption per tonne



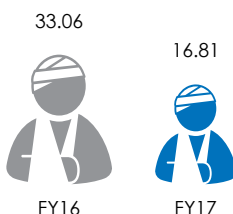
Total Effluent generated (ETP+MEE) per tonne



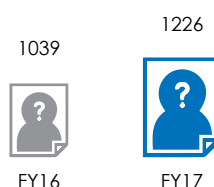
Training Manhours per employee



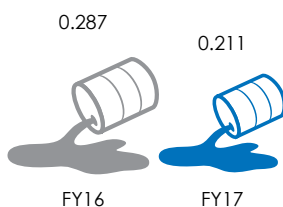
RIR (No. of all recordable injuries per million manhours worked)



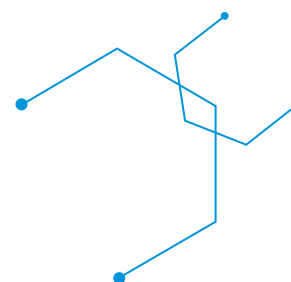
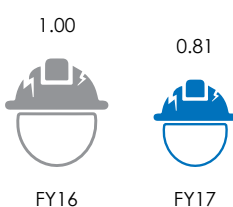
Near Miss reported



Hazardous waste Generated per tonne



FR (No. of LTI per million manhours worked)



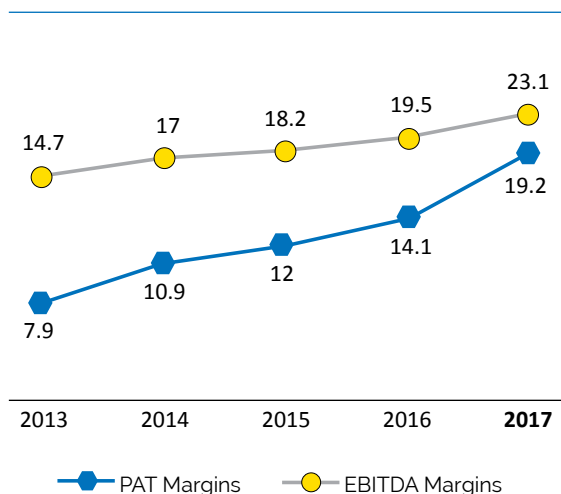
FINANCIAL HIGHLIGHTS

Key Figures		₹ in crores				
Year Ended March 31	FY17	FY16	FY15	FY14	FY13	
Revenue from operations *	2,382.9	2,197.3	2,032.5	1,680.6	1,218.1	
EBITDA	550.5	429.4	370.0	285.6	179.3	
Profit Before Tax	506.5	400.9	352.6	258.0	143.7	
PAT	457.4	309.7	243.2	183.7	96.3	
Net Fixed Assets	1,020.1	943.0	662.3	566.1	535.4	
Cash Profit	530.0	363.4	292.4	215.1	118.2	
EBITDA Margins (%)	23.1	19.5	18.2	17.0	14.7	
PAT Margins (%)	19.2	14.1	12.0	10.9	7.9	
ROE (%)	28.4	26.8	27.0	26.9	18.4	
ROCE (%)	30.4	32.1	39.4	36.8	27.2	
D/E Ratio (In times)	0.1	0.1	0.1	0.1	0.2	
EPS (Face Value @ ₹1)(In ₹)	33.3	22.6	17.8	13.5	7.6	
DPS (Face Value @ ₹1)(In ₹)	4.0	3.1	2.5	2.0	1.0	

Balance Sheet Summary				₹ in crores	
Year Ended March 31	FY17	FY16	FY15	FY14	FY13
Non-Current Assets	1,076.9	991.1	726.0	581.2	548.2
Current Assets	1,206.2	943.8	888.7	727.9	580.5
Total	2,283.1	1,934.9	1,614.7	1,309.1	1,128.7
Shareholders Funds	1,608.9	1,154.7	902.2	683.1	524.6
Non-Current Liabilities	122.9	188.5	75.4	113.1	149.9
Current Liabilities	551.3	591.7	637.1	512.9	454.2
Total	2,283.1	1,934.9	1,614.7	1,309.1	1,128.7

* Comparative figures of Revenue from operations have been regrouped as per the requirement of Ind AS.

Profitability Margins (%)



Per Share Earnings (Face Value @ ₹1)(In ₹)

