



CRISIL upgrades PI Industries Ltd's bank loan ratings

New Delhi, November 1, 2011: As a result of PI's improved financial profile and its continued solid business performance, the rating agency CRISIL has upgraded PI's bank loan credit ratings to "A" long-term and "A1" short-term (from "A-" and "A2+" resp.). The outlook is stable.

CRISIL's Rating Rationale: The upgrade reflects improvement in PI's business risk profile, driven by the group's increasing scale of operations and improved profitability. The upgrade also factors in the improvement in PI's financial risk profile marked by strengthening of capital structure following the conversion of optionally convertible debentures (OCDs) into equity, and the utilisation of sale proceeds from the sale of polymer compounding business for debt reduction.

The ratings reflect the PI group's established position in the Agri Input business, with moderate operating efficiencies, and growing presence in the CSM segment, leading to improved revenue visibility and stable profitability. The ratings also factor in the group's healthy financial risk profile, marked by a healthy net worth and improving gearing and debt protection metrics. These rating strengths are partially offset by the PI group's working-capital-intensive operations and exposure to risks related to cyclicalities in the agrochemicals industry.

The long-term A rating indicates adequate degree of safety and carry low credit risk. The Short-term A1 rating indicates a very strong degree of safety and carries the lowest credit risk.

"We are pleased that CRISIL has recognized the progress we are making. This rating upgrade reflects our solid business performance over the last few quarters and constantly improving financial / risk profile of the Company" commented Mr. Rajnish Sarna, CFO & President (IT). "By increasing cash accruals and optimizing capital structure, we look forward to further improve this rating."



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About PI Industries Ltd. (PI)

Incorporated in 1947, PI Industries (BSE: 523642, ISIN ID: INE603J01014) focuses on Agri-Input and Custom Synthesis with strength of over 1,100 employees, PI Industries currently operates three formulation and two manufacturing facilities as well as four multi product plants under its three business units across Jammu and Gujarat. These state-of-art facilities have integrated process development teams with in-house engineering capabilities.

PI Industries is into following business areas:

Agri-Input Business

PI is one of India's leading players in the Agri-Input industry, primarily dealing in agro-chemicals, specialty fertilizers, plant nutrients and seeds. This venture is the flagship business (unit) for which PI enjoys tremendous brand recognition across several industry leading products. The Company has exclusive rights with several global Corporations for distribution in India and is constantly evaluating prospects to further expand its product portfolio. Given the inevitable surge in demand for food grain production in the agriculture sector, the opportunities for Agro-Chem Companies are innumerable. PI Industries is favorably positioned to contribute to the growth in this space by leveraging its long-standing association with business partners and intensive network of distributors across India.

Custom Synthesis Business

The Fine Chemicals business unit of PI focuses on Custom Synthesis which entails dealing in custom synthesis and contract manufacturing of chemicals including techno commercial evaluation of chemical processes, process development, lab & pilot scale up as well as commercial production. The Company has an impressive product portfolio as result of exclusive tie-ups with leading agro-chemical, pharmaceutical and fine chemical companies around the world. PI has made substantial investments in building state of art process research and manufacturing facilities of chemical intermediates and active ingredients with special focus on strong process R&D capabilities. This business unit is expected to be the primary growth driver with strong revenue visibility as India continues to be a preferred destination for outsourcing Custom Synthesis and contract manufacturing related projects. With exceptional growth opportunities in the offing this business segment is poised for great success.

For further information please visit: www.piindustries.com

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