



# Annual Report **2011-2012**

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Proxy Form



Inspired by

# Science

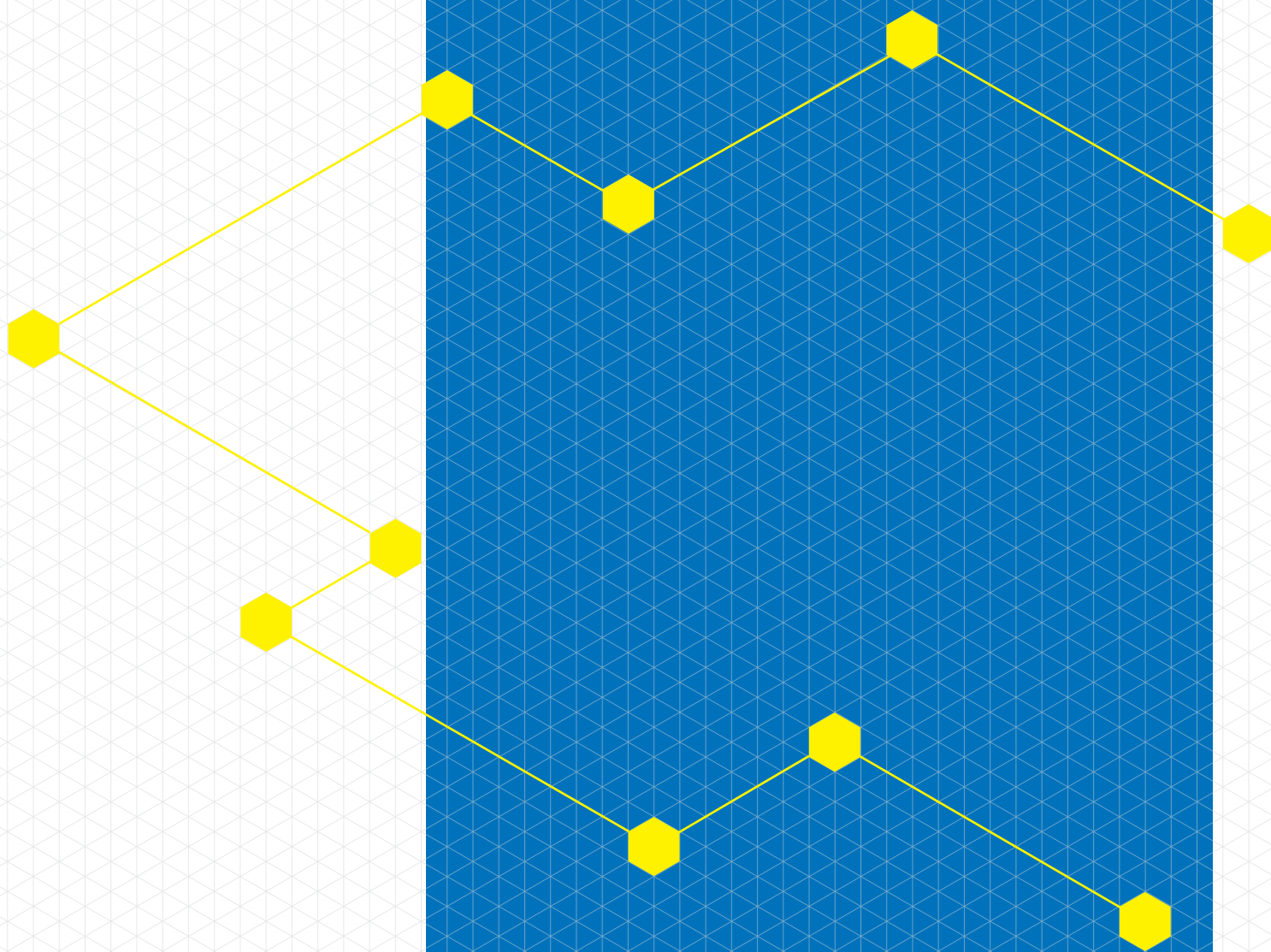
We at PI Industries Ltd (PI) are inspired by Science. Inspired by its ability to make an impact, create a difference. Also inspired by its ability to drive growth on a massive scale. India is aiming at a significant growth in the next few years. And we in PI are contributing to this growth in our own little way; by being at the forefront of science-led opportunities and by delivering highly innovative solutions.

Take for example our agriculture sector. PI has been using science to revolutionise agriculture in India. By building scores of Agri Input brands that increase productivity, enhance output, and make the lives of millions of farmers easier, more prosperous; and by a strong marketing & distribution network in India, covering more than 40,000 retail points and over 9,000 distributors direct dealers spread across all major agricultural areas, strong agricultural extension capabilities and unique product delivery mechanism.PI has created a successful track record of earning the trust of our farmers with innovative ideas.

We are also one of India's leading Custom Synthesis companies. We cherish ideas born in the laboratory and nurture them into their commercialisation. A lot of development and technology input is provided by us to do this. Our love for complex chemistry, our state-of-the-art manufacturing and research infrastructure, our ability to provide quick yet reliable solutions have helped us earn the trust of the world's foremost players in research and development. No wonder then, we are the chosen partner of the inventors and innovators, the people who are right at the cutting-edge of science.

## OUR VISION

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



## OUR DNA



### Trust

Integrity of purpose, honesty in action, and fairness in all our dealings.

## OUR VALUES



### Growth

People grow with us, we grow with people. We attract, nurture and help people grow.



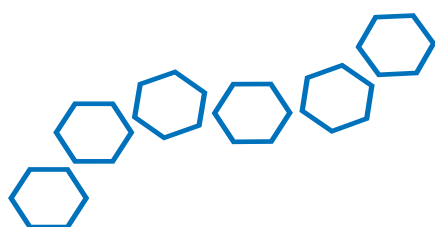
### Innovation

The constant quest for the horizon, the never-ending search for a better, newer way to do things. Innovation is a way of life for us.



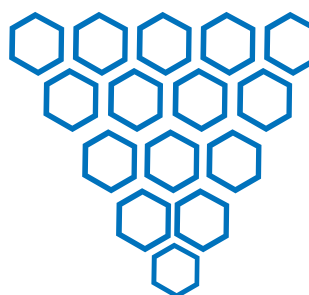
### Speed

The way we observe, think and act.



### Adaptability

We are nimble-footed and highly responsive to change.



### Knowledge

The more we learn, the more we want to know. We respect, build and share knowledge.



# CORPORATE CULTURE

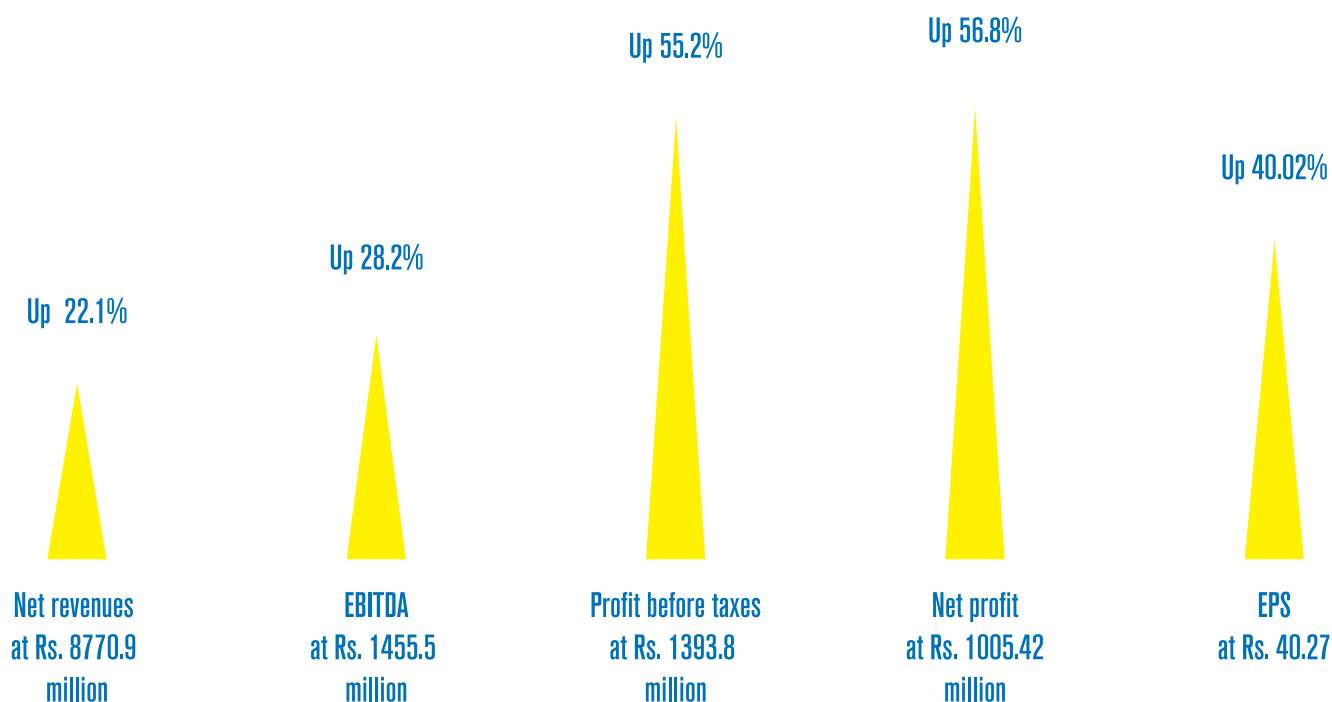


PI Industries thrives to create a work culture that has innovation at its core. A culture with diverse, outstanding employees who drive change and go beyond what is required to deliver. We are constantly looking to renew ourselves through new opportunities and new ways of going forward. We learn and gain inspiration from each other and are always open to new ideas. We recognise and reward results that contribute to the greater good and to our overall strategy.

Our never-ending effort to take innovation to the common man instils a sense of pride in our employees and they are always ready to go that extra mile to achieve that. In PI, we respect the vision and the values that our Founder imbibed in every employee who were and are a part of the organisation. Today, PI Industries has come a long way and the legacy of our Founder inspires us to reach greater heights. We, the workers and staff of PI salute our Founder who laid the foundation of integrity, courage and innovation. And we commit to live by them and carry them ahead as we move on the path of growth.

# FINANCIALS AT A GLANCE

Highs of 2011-12



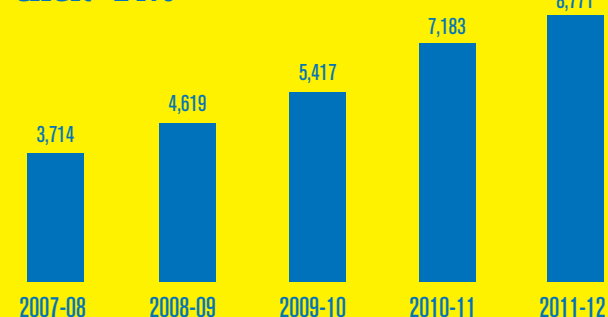
## Performance at a glance

- Achieved important milestone of crossing Rs. 1000 Crore in revenue (gross) and Rs. 100 Crore in Net Profit.
- Net Revenue grew by 22% YoY (~36% YoY growth without Polymer Compounding revenue); Continues to show top-quartile growth owing to its portfolio of novel products and ramp-up in exports.
- Continued earning momentum in domestic Agri-Input and Custom Synthesis exports; domestic revenue grew by ~22% and Custom Synthesis recorded ~62% growth YoY due to demand surge in already commercialized products.
- Margin expansion driven by change in revenue quality and operating leverage; EBITDA up by 28% YoY and margins improved by ~75 bps.
- Consolidated Net Profit grew by 59% YoY Including the exceptional gains of divestment of Polymer business and after adjusting foreign exchange loss of Rs. 44.8 million (last year gain of Rs. 73.5 million).
- Cash generated from operations before tax and exceptional items grew by ~213% YoY
- Total dividend for the year (including interim dividend of Rs. 2.00 per share paid earlier in the year) is Rs. 5.00 per share i.e. 100%.
- Successfully introduced two broad spectrum modern fungicides: CLUTCH and SANIPEB, one wheat herbicide: WICKET and a broad spectrum Insecticide: OVAL. Also reached the penultimate stages of registration approval for two new broad spectrum insecticides; both these molecules are expected to be launched in the domestic market in the year 2012-2013.
- Company's R&D facility at Udaipur accredited for 'Good Laboratory Practices (GLP) and Norms on OECD Principles' by National GLP Monitoring Authority (NGCMA), Government of India' in the field of Physical - Chemical Testing.

## Our journey through the last five years

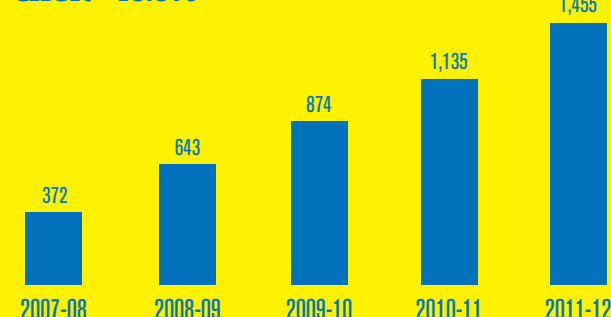
### Net Sales (Rs. Million)

CAGR - 24%



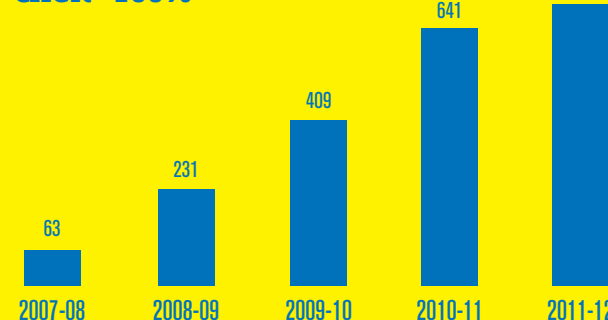
### EBIDTA (Rs. Million)

CAGR - 40.6%



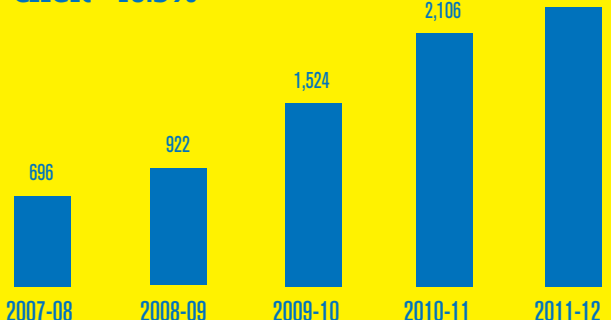
### Net Profit (Rs. Million)

CAGR - 100%



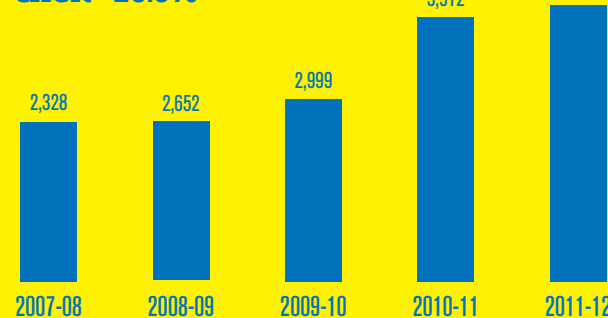
### Net Worth (Rs. Million)

CAGR - 46.3%



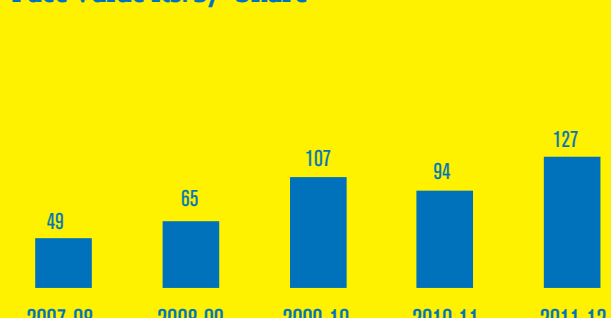
### Gross Fixed Assets (Rs. Million)

CAGR - 20.6%



### Book Value (Rs./Share)\*

Face Value Rs. 5/- Share



\*The Book Value for the current and earlier years has been recomputed after adjusting for the sub-division of the shares in 2011-12.



# BOARD OF DIRECTORS



## Left to Right

**Standing:** Mayank Singhal, Bimal Kishore Raizada, Rahul Raisurana, Narayan K. Seesadri, Raj Kaul, Pravin K. Laheri, Anurag Surana

**Sitting:** Mrs. Ramni Nirula, Salil Singhal, P. N. Shah.

## Executive Directors

Salil Singhal (Chairman & Managing Director)

Mayank Singhal (Managing Director & CEO)

Anurag Surana (Whole Time Director)

## Non- Executive Directors

P.N. Shah (Director)

Raj Kaul ( Director)

Narayan K. Seshadri (Director)

Bimal Kishore Raizada(Director)

Pravin K. Laheri (Director)

Rahul Raisurana (Director)

Mrs. Ramni Nirula (Director)

# CORPORATE INFORMATION

## Registered Office

Udaisagar Road, Udaipur - 313 001, Rajasthan, India

## Corporate Office

5th Floor, Vipul Square, B Block, Sushant Lok, Phase - 1, Gurgaon-122009, India

## Manufacturing Facilities

Udaisagar Road, Udaipur - 313 001; Plot No. 237, GIDC, Panoli, Gujarat;  
Lane-IV, Bari Brahmana, Jammu, J&K.

## Executive Director – Corporate Strategy and Finance

Mr. Rajnish Sarna

## Company Secretary

Mr. Naresh Kapoor

## Auditors

B.D. Gargeiya & Co, Jaipur  
S.S. Kothari Mehta & Co., New Delhi.

## Cost Auditors

K.G. Goyal & Co.  
Jaipur

## Internal Auditors

M/s Protiviti Consulting Pvt Ltd, Gurgaon

## Bankers

State Bank of Bikaner & Jaipur  
State Bank of India  
Axis Bank Ltd.  
IDBI Bank Ltd.  
Housing Development Finance Corporation Ltd.  
Export-Import Bank of India  
Standard Chartered Bank

## Registrar and Transfer Agent

M/s Karvy Computershare Pvt. Ltd.  
17 to 24, Vithalrao Nagar  
Madhapur, Hyderabad - 500 081

## Share Department

5th Floor, Vipul Square, B-Block,  
Sushant Lok, Phase – I, Gurgaon - 122009