

PI INDUSTRIES LIMITED

Chairperson Speech for the 75th Annual General Meeting of PI Industries Limited to be held on September 03, 2022.

Dear Shareholders,

On behalf of the Board of Directors of PI Industries Limited, I have immense pleasure in welcoming you to the 75th Annual General meeting of your Company. We continue to meet digitally, which enables a lot more shareholder participation and keeps safe those who may still be at risk of the virus. Hopefully, next year we will be in a position to meet physically and enjoy multiple interactions.

The Directors' Report and the Audited Financial Statements for the financial year ended March 31, 2022 have been with you for some time now. I will, with your kind permission, take them as read.

Economy

Although the uncertainties of the pandemic continues to recede, we are faced with a lot of issues emanating from its aftermath. Governments of many developed countries injected substantial liquidity to continue supporting their economies and their citizens. Added to this is the situation in Ukraine which has led to enormous disruptions in energy, fertiliser, food supplies and also other geopolitical risks. Many countries are faced with high inflation while also staring at the possibility of recession.

India on the other hand, under the visionary leadership of our honourable Prime Minister, Shri Narendra Modi, successfully contained the first impact of Covid, then the successive second and third waves through highly effective and innovatively rendered vaccination program. The economic policies adopted enabled resilience of the Indian economy, which continued to grow, and also contain inflation. We continue to be on a relatively safe and sound growth path. India is expected to be one

of the fastest growing major economies, with the Reserve Bank of India (RBI) projecting GDP growth to be around 7.7% in FY23.

Dear Shareholders,

Before I get into your company performance, outlook and related matters, I would like to briefly touch upon an extremely important subject affecting all across the world. Climate change!

Every day we are witnessing the impact of extreme weather and the havoc it is wreaking, especially on the poor and vulnerable. In this regard India is making a commitment envisioned by our Honourable Prime Minister's vision of "sustainable lifestyles and climate justice to protect the poor and vulnerable from adverse impacts of climate change". In the updated Nationally Determined Contribution (NDC), India now stands committed to reduce Emissions Intensity of its GDP by 45 percent by 2030, from 2005 level and achieve about 50 percent cumulative electric power installed capacity from non-fossil fuel-based energy resources by 2030. Further, the updated NDC reads "To put forward and further propagate a healthy and sustainable way of living based on traditions and values of conservation and moderation, including through a mass movement for 'LIFE'– 'Lifestyle for Environment' as a key to combating climate change".

Your Company has open heartedly embraced this philosophy and rearticulated its new and inspiring purpose; **"Reimagining a Healthier Planet"**.

With this purpose your Company has redrawn and enhanced its key capabilities in the areas of ESG, Digital, Customer Centricity and Technology.

These capabilities is to create shared value for all by contributing to sustainable agriculture and livelihood development of farmers, ensuring satisfaction of our customers and creating long-term economic value for our shareholders.

Our objectives include

- Reducing our ecological footprint by constantly reducing the consumption of resources, improving raw material efficiency, enhancing circularity in operations, and reducing emissions and waste production.
- Empowering our people to reach their full potential.
- Build an inclusive culture where diversity is valued.
- Establish high standards of safety and good health of our employees across operations and locations.

Indian agriculture

India having accomplished food security for its 1.3 billion people, Indian agriculture is shifting gears towards Nutritional security. With steady progress towards scientific agronomy, the agriculture sector has delivered a resilient year-on-year growth in total output of food grains as well as fruits and vegetables since last 5 years. Despite these advances India lags behind advanced economies' agriculture in terms of yields, irrigation infrastructure, agri inputs consumption, farm mechanisation, adoption of modern agronomy, scale and spread of support infrastructure. Country's agriculture sector, hence, offers significant headroom for long term sustainable growth. Your Company is working towards providing comprehensive solutions to farmers and bring about change.

Company performance

During fiscal 2021-22, your Company's consolidated revenue stood at Rs. 52,995 Mn as compared to the previous year revenues of Rs. 45,770 Mn, growing 15.78%; PAT stood at Rs. 8,438 Mn compared to Rs. 7,383 Mn in previous year, registering a growth of 14.29%. Consolidated net worth as on March 31, 2022 stood at Rs. 61,204 Mn as compared to Rs. 53,424 Mn in previous year. The Earnings per Share (EPS) was Rs. 55.65 per share as compared to Rs. 49.92 per share for the previous year registering a growth of 11.47 % and debt equity ratio at 0.04 as compared to 0.06 in previous year.

- During FY 21-22, Isagro (Asia) Agrochemicals Private Limited business merged with your Company consolidating all manufacturing facilities.
- Launched three new products in the domestic market namely DISTRUPTOR (Insecticide) DEFENSA and WAGON (Fungicides).
- Exports grew around 21% as compared to previous year on account of increase in volume growth of existing products, addition of new products as well as commissioning of a new Plant at Jambusar SEZ.
- Commercialized 9 new molecules during the year which also included 2 new electronic chemicals marking your Company's foray into this niche specialized field offering promising potential in future.

The R&D team is carrying out feasibility at different staged of 40 plus Projects. The year gone by saw a total of 10 projects successfully reaching the commercialization phase. Your Company crossed the milestone of having filed more than 130+ patents.. The Company's R&D and manufacturing teams are constantly working together to reduce environmental load, enhance safety and reduce cost.

Dividend

For the financial year 2021-22, your Company's Board of Directors declared an interim dividend of Rs. 3/- per equity share carrying a face value of Re. 1/- each in February 2022 and has further recommended a final dividend of an additional Rs. 3/- per equity share for approval of shareholders at this AGM taking total dividend to Rs.6/- per share.

Corporate Social Responsibility

PI through its Corporate Social Responsibility initiatives have improved its reach for enhancing the social and economic wellbeing of the underprivileged and marginalised sections of the society.

In line with the Company's CSR philosophy, PI Foundation undertook several community development

initiatives during last year in the areas of conservation of natural resources and sustainable agricultural practices, healthcare, sanitation and hygiene, water preservation through the promotion of direct seeding of rice, women empowerment, quality education, skill training of underprivileged youth, environmental sustainability, promotion of rural sports, rural development etc.

As a responsible Corporate citizen, your Company swung into swift action to support Government and Community initiatives during the COVID-19 crisis. To mitigate the effects of the outbreak, PI has undertaken numerous community initiatives which include awareness on health and safety, provision of food, oxygen plants, isolation centres, sanitizers, sanitization drives, partnering with the local administration among several others.

During the second wave of COVID-19, your Company rolled out a project for setting up of 5 oxygen plants across hospitals in Gujarat, Rajasthan, Haryana and Delhi. Financial assistance to the Udaipur Chamber of Commerce and Industry (UCCI) was provided for procuring oxygen concentrator machines during this crisis and to Rotary welfare Trust, Bharuch for procuring expensive lifesaving medicines to support the underprivileged community.

You Company also provided financial Support for setting up Covid-19 isolation centre in New Delhi for supporting the relentless efforts by administration and front-line workers. Furthermore, the support is being extended to procure necessary equipment like BP apparatuses, Pulse-Oximeters, masks, gloves, sanitizers etc. to ensure seamless functioning of the centre. Medical facilities to set up Covid-19 isolation centre were provided in Bharuch. Mobile Medical Units 24x7 in 64 villages of Jambusar, Gujarat spread awareness on the necessity of social distancing, hand-sanitization, conducting a thermal screening and distributing masks and other kits to villagers.

Support to contract workers by continuing to pay their wages and arrange food and basic amenities for them during lockdown while ensuring COVID-19 prevention and containment protocol

Outlook

The forecast of another normal monsoon for the crop year 2022-23 augurs well for the Indian agriculture sector. This will be the seventh consecutive year of normal monsoon with the latest IMD (Indian Meteorological Department) forecast upgrade to 103% of LPA. Whilst there could be some levels of extremities in weather, we believe production of food grains as well as fruits and vegetables are likely to follow trends in delivering another year of record throughput.

Domestic demand for agrochemicals, hence, is likely to grow. This, in turn, brightens your Company's prospects in the domestic agrochemicals segment. Your Company is also likely to benefit from the maturing of its new product launches of the recent year. In addition, your Company is planning to launch 5 new products in the domestic markets in FY 2022-23. Moreover, its focussed approach to horticulture segment through its subsidiary entity, JIVAGRO coupled with a healthy pipeline of new launches shall support growth in domestic markets in FY 2022-23 and beyond.

In exports, your Company continues to maintain a healthy order book as a solid foundation of revenue visibility and growth. With scheduled commercialisation of 7 new molecules and 2 new process innovations, your Company is well placed to sustain its growth and profitability trends in FY 2022-23. In addition, Company's non agchem enquiry portfolio continues to make healthy qualitative and quantitative progress. On the back of some of these enquiries entering commercialisation stage in FY23, PI's export business is pegged to continue its growth.

Company's increasing investments and activities in R&D domain shall keep sharpening its scientific prowess and complex chemistry capabilities to not only strengthen its existing innovator customers but also attract new innovator customers from agchem space and beyond.

Acknowledgement

I take this opportunity to express my sincere appreciation for the support of all our stakeholders including shareholders, employees, business associates, bankers, Central Government and its departments, State Governments of Rajasthan & Gujarat, farmers and our global customers including joint-venture partners for their confidence reposed in PI. I would also like to thank all my fellow board members for their valued guidance and contributions to the Company's management. I would like to add that we would greatly miss the presence of two of my colleagues on the board, Mrs. Ramni Nirula and Mr. Pravin Lahiri. Mrs. Nirula's searching questions and deep insights and Mr. Lahiri's wisdom made my job so much better which I am enormously grateful for. Finally, I thank the management team and all employees for their unstinted efforts in building your Company's future.

Stay safe and healthy.

With warm regards,

Narayan K. Seshadri

(This does not purport to be a report on the proceedings of the annual general meeting of the Company.)