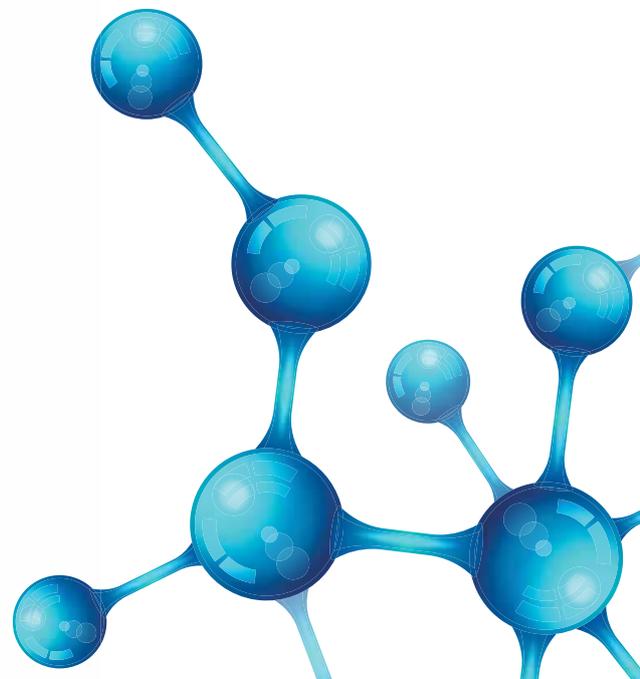


CHAIRMAN'S MESSAGE



“Creating, acquiring and assimilating Intellectual Property is PI’s strategy for responsible, sustained and profitable growth. The strides made by our research & development team, innovation in our manufacturing, the deep understanding of customer needs by our IT, marketing and sales teams, and the leadership’s exponential thinking to find solutions will clearly keep PI at the forefront.”



Dear Shareholders,

The year gone by presented an intriguing contrast in terms of economic growth. At 3.8%, the world economy recorded its strongest growth in the last five years whereas at 6.7%, the Indian economy posted its weakest. The increasing formalization of the Indian economy and key policy initiatives being pursued by the Government are bound to change this growth aberration to bring it to much higher levels. This would be possible even when faced with changing commodity prices, increasing global protectionist stances, geo-political realignments, the bad debt crisis in domestic banking and the imminent election in 2019.

The third Advance Estimate for foodgrain production pegs the throughput to reach 279.5 million tons, making the crop year 2017-18 (July- June) the second year in a row of record foodgrain production. The expected normal monsoon in 2018-19 on the back of a near normal monsoon of the previous year should help sustain the good run of our agriculture sector. A more even distribution of rainfall across the country can bring about a substantial positive impact. The Indian Government's resolve and its initiatives to double Indian farmers' income by 2022 necessitate adoption of modern agronomic practices, crop diversification, better and more advanced nutrients and crop-protection inputs, appropriate farm mechanization, deployment of mobile,

digital data gathering, information and analytical technologies.

Further, with governments striving to improve the health of their populace the agriculture and food industry will have to keep pace and provide not just enough, but increasingly appropriate nourishment. Indian farmers can diversify their cultivation mix – grains, vegetables, fruits, understand impact of their efforts through better information analytics, obtain better access to markets etc. propelling existing players to explore and deliver to these new and vast requirements.

Creating, acquiring and assimilating Intellectual Property is PI's strategy for responsible, sustained and profitable growth. The strides made by our team led by innovation in our manufacturing, the deep understanding of customer needs by our marketing and sales teams, and our leadership that is willing to explore new possibilities will clearly keep us at the forefront. We focused on win-win collaborations of global scale, scripted many a success in our domestic formulation business and pioneered new possibilities in our global CSM domain.

At PI Industries, to deliver accelerated growth our focus has been to leverage and deploy the capabilities we have invested in through alliances to a global audience. Our joint venture with Kumiai to manufacture and distribute Bi-spyribac Sodium in India and possibly

beyond at a later stage is an example. It begins with an immediate benefit to one of PI's flagship products, Nominee Gold. We continued to collaborate with global innovators to offer a broader portfolio with the inclusion of their innovative products, to Indian farmers.

The huge focus on arresting ecological degradation by reduction of carbon emissions, better water management, arresting growth of damaging plastics and synthetics, are all factors that demand huge corporate responsibility, besides providing ethically minded corporates like PI a huge opportunity .

With core values of trust, adaptability, speed and innovation deeply rooted in our DNA, I am confident that your company would continue to grow from strength to strength and beyond its niche position in the global agri & chemistry space.

I would like to conclude with a special vote of thanks to our Board members, who have been guiding the leadership team to achieve the best innovative solutions and promote a healthy growth for all our stakeholders. On behalf of the entire Board of Directors, I express my deep gratitude to all our stakeholders for their continued trust and support.

With warm regards,

Narayan K. Seshadri