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BSE Limited Corporate Relationship Department PJ Towers, 25th Floor, Dalal Street, Mumbai – 400 001 Code No. 523642	National Stock Exchange of India Ltd. Exchange Plaza, Plot No. C/1, G-Block Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 Code No. PIIND
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Dear Sir/Madam,

Sub: Transcript of the Earnings Conference Call pertaining to the Unaudited Financial Results for the quarter ended June 30, 2025

Pursuant to Regulation 30(6) read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, we enclose herewith the transcript of Earnings Conference Call held on **Wednesday, August 13, 2025 at 2:30 PM (IST)**, to discuss the Unaudited Standalone and Consolidated Financial Results of the Company for the quarter ended June 30, 2025.

Further, please note that the said transcript is also made available on the Company's website at <https://www.piindustries.com/investor/disclosure/stock-exchange-filings/earning-call-transcript-and-audio-recordings/>

This is for your information and record please.

Thanking you,

Yours faithfully,
For PI Industries Limited

Shruti Joshi
Company Secretary and Compliance Officer

Encl.: As above



PI Industries Limited

Q1 FY26 Earnings Conference Call Transcript

August 13, 2025

Moderator: Ladies and gentlemen, good day and welcome to PI Industries Limited's Q1 FY26 Earnings Conference Call.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing '*' then '0' on touchtone phone.

Please note that this conference is being recorded. I now hand the conference over to Siddharth Rangnekar from CDR India. Thank you and over to you.

Siddharth Rangnekar: Thank you, Avirat. Good afternoon, everyone and thank you for joining us on PI Industries' Q1 FY26 earnings conference call.

Today we are joined by senior members of the management team including:

- Mr. Mayank Singhal – Executive Vice Chairperson & Managing Director
- Mr. Rajnish Sarna – Joint Managing Director
- Mr. Sanjay Agarwal – Group Chief Financial Officer
- Dr. Atul Gupta – CEO - CSM AgChem
- Mr. Prashant Hegde – CEO - AgChem Brands
- Dr. Ramesh Subramanian – Global CEO -PI Health Sciences
- Mr. Jagresh Rana – Global CEO - Biologicals

We will begin the call with key perspectives from Mr. Singhal following which we will have Mr. Agarwal sharing his views on the Company's financial performance. Thereafter, the forum shall be opened for a question-and-answer session.

Before we begin, I would like to underline that certain statements made on today's call will be forward-looking in nature. A disclaimer to this effect has been included in the investor presentation that has been shared with you earlier and is also available on the stock exchange websites.

I would now like to request Mr. Singhal to share his perspectives with you. Thank you and over to you.

Mayank Singhal:

Yes, thank you and good afternoon to everyone. Just also wanted to add that we also have on the call for the first time Mr. Jagresh Rana, Global CEO - Biologicals. So, now let me begin by sharing my views of the business environment and the role of PI as a leader, as a technology solution provider and a global partner in the AgChem space.

The global AgChem industry is navigating through a dynamic market environment and landscape, having witnessed an overall decline over the last two years. Low commodity prices, farm income and high interest rates and extreme weather events and uncertainty related to tariffs over the last six months have impacted the market sentiments.

On the positive side, there's a gradual destocking of inventories in most of the markets and a secular trend on global innovators pushing the China Plus One strategy.

On the domestic side, we have seen favorable monsoons, positive sowing trends in major crops. The abrupt regulatory challenges in biologicals, fertilizer shortfalls have impacted the growth momentum in the Kharif season.

Beyond the near term, development of advanced crop care solutions remains a global priority. Given the underlining requirements for higher and more reliable crop yields and the shrinking arable land, weather variability and growing population, innovators are adopting new technological initiatives including AI-based platforms from research to farms. The initiatives are improving product efficacy, farm output and regulatory compliances. Concurrently, the demand of biologicals for integrated crop health management has increased, given the challenges of climate change. In the current landscape, the global companies continue to elevate their strategic partnerships across the value chain in pursuit of cost optimization and build resilient business models amid heightened regulatory challenges.

I now move on to our business highlights for Q1 FY26:

Our performance is broadly in line with the H2-weighted FY26 plan. On the AgChem exports side, we have seen a decline that is in line with the customer delivery schedules to balance the inventory levels. As explained before, we have built in transitional softness in the financial year 2026 plan. However, it is important to highlight that the growth of the new products commercialized for the last three years have registered a decent 46% growth year-on-year. We are expecting to resume acceleration of supplies in H2. We will commercialize 6 to 7 new molecules in the remaining quarters. Electronic and specialty chemical area has also gained traction and scale.

Now, on the domestic side:

We have seen a growth of 6% year-on-year for Q1 FY26, which could have been much higher if temporary regulatory disruptions were not there in the biological space, given PI's play in that arena. Given our advanced product mix and crop solutions-based approach, the momentum has sustained and we have introduced two new brands in Q1, and introducing additional 3 products during the year. Our development pipelines comprise of 20 plus new products that are in various phases of development and regulatory registration.

During the quarter, our pharma business has showed an 186% year-on-year growth in revenue. We are seeing good traction in the new business inquiries with aggressive investments in business development. Our efforts to establish an integrated CRDMO platform, which is delivering world-class solutions by leveraging a combination of high-quality assets, world-class processes, solutions backed with knowledge and business development strategies led by strong leadership, are continuing to take shape and show some early bloom. We have carried out planned upgrades and additions to the assets across various locations to support the path of strategic growth.

Now coming to the biological space, with the acquisition of Plant Health Care, PI has taken a significant step in scaling our biological business globally and bringing innovative, sustainable solutions to the farmers. Proprietary technologies including PREtec and Harpin, help in withstanding disease and environmental stress leading to higher yields and better financial returns to the growers globally. We are further intensifying our R&D efforts to integrate solutions with a focus on the markets of U.S., Brazil, Mexico, and India, and partnering across with others.

As one of the key strategic milestones, which is now coming, I am pleased to share, we have filed the registration of India's first discovery, PIOXANILIPROLE, a significant breakthrough of the innovation journey taken by PI over a decade ago, is now showing its early shoots. We are happy to share there are other products in the pipeline at different stages of development and research. We continue to tap our growth opportunities in the various arenas of Ag science, Health sciences, and Specialty chemicals, marking a transition from an agri-sciences company to a life-sciences company. Each of these segments and growth engines have significant potential to expand and strengthen our position at a global level. We are continuing our investments in these growth engines to ensure we pave and lay the foundations for the next level of growth in the coming years.

Let me take you in terms of our outlook for global industry:

We are still passing through a tough time, and an ongoing U.S. tariff drama is unfolding every day. We remain cautious and optimistic about reimagining the growth momentum in H2. I will highlight certain initiatives that we are working to further strengthen our outlook. CSM exports will see the introduction of new process technologies. We are investing in technology-based augmentation in our distribution business in order to drive customer centricity and efficiency. We continue to invest in newer acquired businesses to scale up and drive a more rounded growth. Implementing business processes reengineering like S4 HANA, global supply chain integration with strategic synergies. Further, not only that, based on our growth expectations, we shall continue to invest about Rs. 700 crore to Rs. 800 crore during the year.

With this, I would now like to hand over the discussion to our group CFO, Sanjay. Thank you very much and Sanjay, over to you.

Sanjay Agarwal:

Thank you, Mr. Singhal. Good afternoon, everyone.

I will summarize the Company's financial highlights for the quarter ended June 30th, 2025. Please note that all the comparisons are on year-on-year basis and refer to the consolidated performance of the Company.

So, as you know, Q1 unfolded against the backdrop of macroeconomic headwinds and geopolitical uncertainties which continue to influence the market sentiment. And we anticipated these headwinds in our annual plan, which is H2 weighted. And therefore, the Q1 results are broadly in line with the business plan. To share the performance highlights during Q1 FY26, we reported revenue of Rs. 19,005 million, a decline of 8% over the same period of last year and a sequential growth of 7%. On a 3-year CAGR basis, the growth in Q1 is 7% as we had registered a growth of 8% in Q1 FY25 and 24% in Q1 FY24, making it a high base.

Our domestic business grew by 6% backed by Kharif season and we remain buoyant based on favorable monsoon forecast and strong product portfolio which we have. However, there was a decline in the biological segment due to regulatory changes. Our pharma platform rebounded, registering revenue growth of 186% over previous year, driven by deepening relationship with biotech and big pharma innovators. Our development spent into creating fully integrated pharma CRDMO platform has helped to create an accelerated pathway for strong future growth.

Q1 FY26 results also include the financials of our global biological business, which was acquired in August 2024. The business has been performing in line with the business plan with many innovative products in the pipeline. Due to the favorable product mix and cost optimization projects, our gross margin for the quarter has expanded to 57.4% and increased by 5.7% and our EBITDA margin remained resilient at 27.5% for the quarter. We expect the ETR to be in the range of 22%-23% for the next 2-3 years. Further, the trade working capital in terms of days of sales has increased to 91 days from 73 days in March 2025, while better inventory management has kept the inventory days almost at the same levels of last year.

Our healthy performance leading to stable cash flows provides us the flexibility to continue with our CAPEX plans, allocating capital towards our future growth engine which we have done in PIHS, a pharma business, PHC, a global biological franchise and Discovery R&D.

Our balance sheet further strengthened during the quarter. Net worth increased to Rs.1,06,003 million and a healthy net cash balance of Rs. 41,554 million. Given our leadership and strong partnership with global AgChem companies, our innovation pipeline, we expect accelerated H2 to drive a single-digit revenue growth for FY26 with a sustained EBITDA margin.

With this, I will conclude my opening remarks. I will now request the moderator to open the forum for Q&A. Thank you.

Moderator: Thank you. We will now begin the question-and-answer session. The first question is from the line of Aditya Jhawar from Investec. Please go ahead.

Aditya Jhawar: It would be great if you can give us some sense on the applicability of tariff on our key product in the US, as well as other products. How do we think about it and what is our interaction with customer suggesting is it completely exempted all our product or the customer is willing to absorb some sense on that? That is the first question.

Mayank Singhal: As you know, the tariff scenario is evolving so there is no clarity on the implications of the tariff, but at present it is not applicable and we do not see any challenges.

Aditya Jhawar: Okay. My second question is, any update on our registration of one of our key products in Brazil, pyro?

Mayank Singhal: So, let me answer. Number one, we don't call that as our product. We're just a contract manufacturer, to be very fair. But already, it's been registered in Brazil, from what my understanding is from public domain.

Aditya Jhawar: Yes, but our supplies are to Brazilian market?

Mayank Singhal: No, we supply to a customer who will, in turn, may supply to Brazil.

Aditya Jhawar: Fair enough. Next question, when can we expect normalization of biological sales in India?

Mayank Singhal: That's an interesting question. As you know, this is a fact which is still in the hand of the Government and the court. We would have wanted it to happen as of yesterday, but obviously, it's going to take some time.

Aditya Jhawar: Okay. The final question, to give a fillip to our domestic business, are we also evaluating some inorganic opportunities in the Indian market?

Mayank Singhal: Yes, we are looking at many inorganic opportunities for various business segments.

Aditya Jhawar: Okay, that's it. I will fall back in queue. Thank you so much, Mayank.

Moderator: Thank you. The next question is from the line of Abhijeet Akella from Kotak Institutional Equities. Please go ahead.

Abhijeet Akella: Thank you so much. So, on the gross margins, they've come in very strong at about 57%. I know you mentioned the product mix as well as cost optimization projects. Last quarter, I believe we had guided to gross margins in the range of only 50% to 52%. So, now, in light of this performance for the 1st Quarter, would we like to update that guidance range? Should we expect to stay closer to these levels?

Mayank Singhal: We would stick to our guidelines. But like we mentioned, it is based on the product mix and some of the efficiencies driven by the operating teams.

Rajnish Sarna: And these product mix vary quarter-to-quarter. So, the margin profile will also vary from one quarter to the other.

Abhijeet Akella: So, 50% to 52% gross margins and 25%-27% EBITDA margins. Is that still the range to work with?

Mayank Singhal: Yes.

Abhijeet Akella: Okay. Thank you. And then the other thing was just a couple of quick bookkeeping questions, if I may. Just on the order book number, if it's possible to share that at the end of this quarter and also the revenues from Plant Health Care for the quarter, please. Thank you so much.

Mayank Singhal: So, I think the order book is about \$1.2 billion. And in regards to the Plant Health Care, the revenue is about?

Sanjay Agarwal: So, on a yearly basis, it's around \$8 to \$10 million.

Abhijeet Akella: Possible to share it for the quarter, Sanjay?

Sanjay Agarwal: So, it will be around \$3 million to \$4 million in this particular quarter.

Abhijeet Akella: Okay. And is this included within the CSM business?

Mayank Singhal: No. That's a separate vertical.

Sanjay Agarwal: So, it gets clubbed under the exports business what we have.

Abhijeet Akella: Okay. All right. Thank you so much and I will come back in queue if any more.

Moderator: Thank you. The next question is from the line of Saurabh Jain from HSBC Securities. Please go ahead.

Saurabh Jain: Yes. Thank you for the opportunity. My question is on the domestic business. Can you please give more details on why the trade receivables kind of increased in the quarter? Because is it more to do with the push that you did in the market and possibility the risk of sales returns in Q2?

Mayank Singhal: Okay. If I may get your question right, Prashant, maybe you can answer. The question is that why has there been an increase in the trade receivables?

Prashant Hegde: Yes. So, one, obviously, there are inventories in the market for the industry. And second, as Mayank earlier explained, fertilizer shortages that resulted in a lot of money being basically diverted to secure the fertilizers. And we have seen a little bit of slowness in terms of agrochemicals, especially in terms of collection is concerned. So, that is what is reflecting on the receivables.

Saurabh Jain: Okay. And would you also assume a higher risk of sales returns coming into Q2?

Prashant Hegde: No. So, as of now, our quality of sale is looking good. We do not see any higher returns compared to what which we have been seeing from last one year. It is in line. So, we do not see any major increase in terms of our returns.

Sanjay Agarwal: And also, just to add to Prashant. Prashant spoke about the domestic business, the numbers when you look at aggregate levels, even from the March 2025, and what we are seeing now in June 2025, they are broadly in line. So, there has been no major increase in the receivables. And as you asked, yes, the receivables, what we have, there is no concern at all for us in terms of the recoverability and they are very much in line with the current business environment.

Mayank Singhal: So, I think the point also to emphasize here is that receivables increase is more from the export segment which will be in line with plan.

Saurabh Jain: The other question I had was on the pharma business. Just for my understanding, we reported in the current quarter that the gross margins for pharma business in the market is about 52%. But to look at the same presentation of last year, it was reported at 42%. Where am I missing?

Sanjay Agarwal: So you are right. The numbers of last year were over 42%. There was a reclassification which was done. And therefore, the numbers broadly are the same at 52% for the last year and this year also.

Saurabh Jain: So, now, like-for-like 52% versus 55%.

Sanjay Agarwal: That's correct.

Saurabh Jain: Okay. And do you also want to make a comment on your guidance for your pharma business? Because previous quarter you mentioned 75% revenue growth with improved margins. How would you see it now after this Q1 performance?

Mayank Singhal : Your question is on the revenue growth or the margins?

Saurabh Jain: No. So, in the previous quarter, you mentioned that you are expecting to achieve 75% revenue growth in FY26 in your pharma business with improved margins.

Mayank Singhal : So, we are broadly in line with that guideline.

Saurabh Jain: Okay. Sure. Thank you. I will get back in the queue.

Moderator: Thank you. The next question is from the line of Naushad Chaudhary from Aditya Birla Mutual Fund. Please go ahead.

Naushad Chaudhary: Thank you for taking my question. 2-3 clarifications. First, on the biologics regulatory issue registration requirement. Let's assume in the next 1-2 quarters, if things get settled, how the industry shape would look like versus what it is today? Can it consolidate? Can it benefit players like you? How you see post-issue gets resolved?

Mayank Singhal: No, sorry. I didn't get the question. I mean, are you asking that if the issues get resolved, would the industry get consolidated?

Naushad Chaudhary: Yes.

Mayank Singhal: Well, that would be very difficult to say what the industry does. But given the fact that the it is a temporary stoppage, there will be certain changes and people will go back to business.

Rajnish Sarna: And it is also progressing very positively in the court in last couple of hearings. And I think industry expects that this issue will get resolved in next, maybe, a month or so.

Mayank Singhal: But you would expect that, as you would have all seen in the past, Biological is the key agenda of the Government of India to create balanced, equitable environment for agriculture, and also one of Prime Minister's key agenda, and which also gave the Company the spirit to say we should invest in Biologicals. So, I am pretty sure this will be a top priority to resolve at every level.

Naushad Chaudhary: And what is the percentage contribution currently from this piece of business? And is it completely zero for now, for the ongoing quarter?

Mayank Singhal: Yes, because if the sales are stopped, it stops, it will be zero. And approximately, we have 20% plus revenue coming from this segment.

Naushad Chaudhary: 20% of the domestic revenue?

Mayank Singhal: Sure.

Naushad Chaudhary: Second, what is the status of our 2 MPPs which is in working progress? And by when this should be operational and the ramp-up expectation?

Mayank Singhal: So, one plant will start by the last quarter of this year, and the other one probably from first or second quarter of next year.

Naushad Chaudhary: And ramp-up plan?

Mayank Singhal: Ramp-up is a 3-4 year process.

Naushad Chaudhary: Okay. And last, on the U.S. tariff, in your commentary you mentioned it is creating uncertainty plus an opportunity as well. So, on opportunity side, if you can elaborate, what did you mean by that?

Mayank Singhal: I just said uncertainty, because opportunity would be if it settles.

Naushad Chaudhary: All right. Thank you so much. All the best.

Moderator: Thank you. The next question is from the line of S. Ramesh from Nirmal Bang Equities. Please go ahead.

S. Ramesh: Good afternoon, and thank you very much. So, if you look at your biological segment globally, where would the margins be once you scale up to a certain critical mass? Would it be somewhere close to the CSM margins, or slightly higher or lower? Can you give us some sense of that? And what is the kind of size you can expect, say, in 3 to 4 years' time?

Mayank Singhal: So, let me put it this way. Biologicals do have a better margin profile than chemicals. And, let me also make it very clear, biological is a long journey. It means investments in developing the products to share the benefit with the farmer. So, it is a balancing equation. And, in four or five years, I believe they should be giving us better margins than the other businesses of the Company. Therefore, it's quite futuristic in our mind.

S. Ramesh: Okay. So, in terms of the new molecule you launched, PIOXANILIPROLE, is it possible to give us some sense in terms of the different crops? And what are the kind of target market size you can expect, say, for the next 3 to 4 years? And what is the supply chain plan in terms of raw material, intermediate procurement? How is that going?

Mayank Singhal: Well, I think let's focus on the front end of the market, typically, where we say this is the pest segment which has a pretty decent sized opportunity as the pest in multiple crops, specifically in the row crops is where the area of focus will be. And we are at different stages of development and evaluation at the given moment.

Prashant Hegde: So, effectively all important row crops, as Mayank mentioned, sugarcane, rice, pulses, and a few vegetable crops also that include tomatoes.

S. Ramesh: Okay. And is it possible to give us the cost of development? And is there any further development expenditure required for scaling this up?

Mayank Singhal: That would not be possible. Thank you.

S. Ramesh: Okay. One last thought on Jivagro vertical. If you see the last two years, actually, the revenues have declined. So, how much is the Jivagro revenue in this quarter and how do you expect that vertical to perform in your domestic portfolio this year and next year?

Mayank Singhal: So, Jivagro is contributing, again, roughly around anywhere between 17% to 20% in terms of our domestic revenue. And so we have completely changed our portfolio in Jivagro. Earlier it was mainly generic products. Now we have more specialty products, which are suited for horticulture crops. And it is shaping as per our expectations. So, it's basically, we are treating this as a specialty division, and we continue to do so.

S. Ramesh: Okay. So, one last thought on the pharma segment. In terms of the overheads, which you have reported 839 million, and there is an inter-segment adjustment. So, in terms of the ramp-up of the business, where do you expect the overhead to settle on annualized run rate? And what is that inter-segment adjustment you have shown in the segment results in the BSE filing?

Sanjay Agarwal: So, broadly the pharma overhead, what you have seen is in line with the growth plans, what we have. On a run rate basis, yes, you can take this as a base. It has higher development spend currently at this point of time. But on a 12 to 18 month period, yes, we would look at a break-even EBITDA situation in this business.

S. Ramesh: And what is the inter-segment adjustment which you have shown? Because the losses are higher if you look at the BSE filing compared to what you have shown in the presentation. So, what are the inter-segment adjustments in the segment results?

Sanjay Agarwal: No, that is only between the corporate expenses which get allocated between the two lines of business, which is agrochemicals and pharma.

S. Ramesh: Okay. So, the business loss, should we go by what is reported in the BSE filing? Is that the loss?

Sanjay Agarwal: Yes, that is right.

S. Ramesh: Okay. Fair enough. Thank you. I will join the queue.

Moderator: Thank you. The next question is from the line of Rohit Nagraj from B&K Securities. Please go ahead.

Rohit Nagraj: Thanks for the opportunity. So, first question is in terms of our guidance. So, given that the 1st Quarter has been relatively muted, and if we were to get to maybe middle single-digit growth for FY26, we will have to grow by about 9%-10% for the rest of the year. What gives us confidence given that we have also just spelled out in terms of headwinds in domestic channel inventory plus the biological ratio? So, is it backed by certain firm orders on the CSM side? What is our thought process on this? Thank you.

Mayank Singhal: So, there is a guidance we have given. Obviously, it is backed up by supply schedules on the CSM side. Domestic business, we were looking for a more aggressive plan, but we would see the biological regulatory issue is resolved, we should be able to still somehow get there. If it doesn't, then yes, it could pull a few things down, to be fair. And the other segments that we have invested in, we are seeing as per plan running right now. So, I think we would still maintain the guidance. But as I've also mentioned in my speech earlier, there are headwinds and tailwinds and this whole dynamic world, whether it is tariffs or whether it is the agro-climatical situation. So, we still remain conservatively positive to maintain our guidance, if I was to put it very straight.

Rohit Nagraj: Thank you. The second question on the PIOXANILIPROLE role. So, in terms of commercialization, what are the timelines that we are looking at, given that it's finding good results in phase III trials? And in terms of the marketing on a global scale, what are our thoughts currently? How are we going to go ahead with it? Thank you.

Rajnish Sarna: So, as we said, our continued business model approach is partnering for innovation. As we started the business of bringing innovative products as a pioneer in India, we created the next business play of pioneering or bringing in contract manufacturing for patented products and commercializing at a global scale to support Discovery partners. Now we are getting into the phase of creating new NCEs, and we will be looking for partnering across the global space. We have advanced talks in certain cases, in certain geographies. We are looking to talk with certain distribution partners at a global level to see how we can take it to the rest of the world. Given the India context, obviously we will leverage our near home capabilities for being able to put innovation out into the market. So, that's really the approach we're taking at a higher level.

Rohit Nagraj: And in terms of commercialization timeline?

Mayank Singhal: We have filed for a regulatory approval for now for India. We eventually look at a certain timeline with other geographies, with our partners. So, I think we would see this product come to life maybe in a two and a half year scenario.

Rohit Nagraj: Thank you so much, sir, and all the best.

Moderator: Thank you. The next question is from the line of Sumant Kumar from Motilal Oswal. Please go ahead.

Sumant Kumar: Yes. So, in CSM, we are going to launch 8 to 10 molecules in this year, in FY26. And earlier, we have seen the momentum was 50% of this. So, how are we going to plan for CSM and how is the growth momentum in the coming FY27-28, considering the product launch is going to accelerate?

Mayank Singhal: Well, as you know that the product launch is going to accelerate, that gives us a little confidence that the long-term story looks good. But the short-term, as you know, the start of the product is minuscule, but they scale up. And typically, in the ag world, the product continues to scale up for 10 to 15 years scenario. And on the other hand, other segments which you put here, which continue to contain these products, are in the specialty of high-end technology chemistry, using specialized applications like electronics and others, which are also showing some good green shoots, given the unique PI technological capability for high-control quality manufacturing, followed with chemistry and process controls. So, that's the other opportunity which is significantly unique to PI.

Sumant Kumar: And what is the CAPEX and tax rate guidance for FY26?

Sanjay Agarwal: It will be around Rs. 700 crore to Rs. 800 crore in this financial year. And tax rate will be around 22% to 23%.

Sumant Kumar: Okay. Thank you so much.

Moderator: Thank you. The next question is from the line of Navid Virani from Bastion Research. Please go ahead.

- Navid Virani:** Thank you for the opportunity. So, first one was on the pharma business. So, we mentioned in our presentation that we are in the process of building strong relationships with biotech and big pharma players. So, this is a two-part question. Can you share some progress for us to understand better where are we on this journey? That's one. And secondly, is our strong experience and history in CSM helping us to forge relations faster in the pharma division?
- Mayank Singhal:** Sorry, I didn't get the second part of the question.
- Navid Virani:** The second part was, we already have a very strong name in Agri-CSM, right? Is that helping us build the pharma business slightly faster than that not being the case?
- Mayank Singhal:** Well, obviously, that's an incredible leverage. But in terms of what is being done in terms of developing the business at a high level, Ramesh, maybe you can come in and explain.
- Dr. Ramesh S:** Yes. So, I will take it up. Thanks, Mayank. So, firstly, I think we stated some time last year that our goal is to bring in 3 to 4 large pharma clients. We're well on our journey to get there. We have already on boarded two large pharma clients. And, the trends are that by the end of the year, we will have two more. So, I am hoping, to get to that 3 to 4 large pharma clients, which will serve as a good base as we continue to grow. Because pharma is sort of immune towards, you know, any cash challenges that biotech may have to provide with stability. So, that's the goal. But the biotech industry is going through some challenges. But, we continue to grow our biotech portfolio. So, that's an answer to your first question.
- The second one, yes, it definitely helps. And not just in terms of credibility and name, but also at the end of the day, it's a contract manufacturing business. There are a lot of technologies. So, the way we look at things is that we focus on making the molecule. The molecule can impact plant health, or it can impact animal health, or it can impact human health. But the focus of PI as a whole is to make the molecule the most elegant, efficient, and cost effective manner. So, the technologies that you put in, the experience we have in the CSM business, both in terms of R&D and manufacturing, that translates to making the molecule the best way. It definitely helps us when it comes to the pharma business.
- Navid Virani:** Perfect. Thank you for that very clear answer. Next up, I wanted to understand, so we have also mentioned that we have commercialized 15 molecules over the last 3 years, right? And we are planning to scale that up as well in this year. So, can you help us understand, like the top 3-4 molecules, what is the kind of opportunity wise, we are seeing that can drive growth coming going forward?
- Mayank Singhal:** So, let me answer that. You see, obviously, we can't get into specific molecules and say what is the opportunity size, you would appreciate these are closely held strategies of large companies, and we are bound by certain confidentiality obligations. But at a higher level, given the historical credibility of what we have been able to achieve, clearly, we see a couple of them in the big ticket items, and I see that in the next 3 to 4 years, they will give us substantial balancing act.
- Navid Virani:** Just one last question. So, I've been tracking PI for a good time now. And I've been listening to your commentary saying that we were wanting to diversify in categories like electronic chemicals. I think you also mentioned semiconductors sometime back. So, where are we on this diversification journey, if you can share some progress to help us understand better?

Mayank Singhal: So, I think if you missed earlier, but I think in my communication itself, we already stated electronic chemicals, we have done five to seven products in that area. And I do see a very good opportunity coming to scale and we see this to become a good segment in the next 4 to 5 years.

Rajnish Sarna: Maybe, Atul, you may want to also add something, Atul?

Atul Gupta: Yes, so I think, that's a very promising segment on which we continue to work and there is a good traction. We have been able to connect with some of the global customers and are working actively on some 10 odd projects which will in coming period give us a good revenue as well.

Navid Virani: Thank you for all the answers. Wishing you all the best.

Moderator: Thank you. The next question is from the line of Bhavya Gandhi from Dalal & Broacha Stock Broking Private Limited. Please go ahead.

Bhavya Gandhi: Thanks for the opportunity. First question was regarding, we filed one product of our first discovery molecule in India. Can you throw some light on the revenue potential? What is the product like? How would the margins look like? Something on that front?

Mayank Singhal: As we mentioned that it's in the Lepidopteran space, which is a pretty large segment for multiple crops, you can appreciate the size of the insecticide market for those crops is in a couple of thousand crore in India. So, that's the opportunity segment that we have. Now, obviously, as we get closer to the market, at that point, it'll be right time to estimate size and scale we can target to achieve. As you said, we're in the development phase, but it's a substantial, exciting, more than the size, its about the ability to put innovation out there and commercialise.

Bhavya Gandhi: Right. and on the pharma utilization, if you can throw some light, what is the peak revenue that we can generate on a 2 to 3 year basis that will be really helpful?

Mayank Singhal: We are looking at a growth rate. So, there's no asset utilization model here. This model is about CRDMO contract, development and research services along with the investment that we're doing. So, obviously, as we mentioned, we are looking to at least 2 to 3 times the revenue size in the next 3 to 4 years.

Bhavya Gandhi: Sure. That's it from my end.

Moderator: Thank you. The next question is from the line of Saheel Shirsat from Delta Investment Advisors. Please go ahead.

Saheel Shirsat: Thank you so much for this opportunity. So, my question was on the agrochem molecules that we have launched in the last three years. How much is their contribution in our current revenue now and how do we see this mix going forward? Thank you.

Mayank Singhal: Agrochem is launched in the last 2-3 years, what is the contribution of the total revenue? Is that your question?

Sanjay Agarwal: Yes. So, if you're talking about the freshness index, that's around 17% to 18% of AgChem export business and that's what has been growing substantially in the last few years.

Saheel Shirsat: Thank you so much.

- Moderator:** Thank you. The next question is from the line of S. Ramesh from Nirmal Bang Equities. Please go ahead.
- S. Ramesh:** Thanks for the follow up. So, if you look at the pharma business in terms of the revenue ramp up, now currently what is driving the revenue? Is it API sales or R&D projects and can you share when you talk about client additions? What are the milestones you expect in terms of in a line of sight for the business in terms of contracts or order book for intermediates? How do you really actually put that in perspective so that we can get something.
- Mayank Singhal:** I will answer that in the first phase and then Ramesh will. We at the present moment are building a foundation. So, it's too early to have order books and scenarios. We're building credibility in the market. We're demonstrating our ability. And our strategic focus is to move to the CRDMO play. And I would say that we are pretty happy with the progress that we have made in that area. And the growth rate has primarily come from that area. And obviously, as you would very much understand, being in the CRDMO play, which you would understand well, there's a long drawn gestation. But as earlier Ramesh mentioned, the seeds have been sown. And it is building the right customer client base where a lot of efforts have been put by the team. And given the external dynamics and when the environment settles, we see this could turn up into a longer term as a 3 to 4 year scenario to drive the positivity. Ramesh, if you wish to add anything more at a higher level, please go ahead.
- Dr. Ramesh S:** Thanks, Mayank. I think that covers it well. But on your first question, both products and the services business, which is essentially the CRDMO business, both of them grew nicely year-over-year. So, that's an answer to your question on CRDMO contributed to the growth numbers. What we're focusing on is to build a pipeline on the DMO side that involves late stage programs. And we are doing okay there. You know, it is a world that keeps changing, given some of the policies that we're still trying to get clarity on. But in general, there is interest in diversification. You know, the China Plus One strategy is still active. We also have a site in Europe, which is attractive to a lot of customers to begin a conversation. And again, as I mentioned, there are some unique technologies that have come through the CSM, flow being one example. So, we have been leveraging the brand, we have been leveraging the science that is the foundation for PI as a whole. We're leveraging the fact that we have EU presence. And of course, we have excellent capabilities, internally and people to sort of build the brand. So, yes, there is significant traction, we just have to make sure that we are doing our job despite the uncertainty that's created with all the policies. So, I think Mayank said it right, when everything settles down, we want to be there with the customers.
- S. Ramesh:** So, you on the CSM business, this volume decline of 9% is because of deferral of orders, or is it because some of your contracts are maturing? And how do you see the business excluding new products, kind of go back to the normal double digit growth? Would it require new orders or repeat orders? How do you see that in terms of the progress in the business?
- Rajnish Sarna:** So, this is driven by, supply schedules. In Q1, we have seen some sort of , inventory balancing by the customers. But we expect those supplies to renew in the second half.
- S. Ramesh:** Okay, thank you very much.
- Moderator:** Thank you. Ladies and gentlemen, that was the last question for the day. And I would now like to hand the conference over to the management for closing comments.

Mayank Singhal: Yes, thank you everyone for coming on to this call. We continue to appreciate your support and keep our fingers crossed for favorable monsoons and agroclimatic situations. Thank you.

Moderator: Thank you. On behalf of PI Industries, that concludes this conference. Thank you for joining us and you may now disconnect your lines.

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