

CMD/VCMD'S MESSAGE

Dear Friends,

We write this message at a time when India is overwhelmed by an unprecedented humanitarian crisis due to the spread Covid 19 virus. The second wave of the pandemic that began in March 21, has had a debilitating impact on many of our employees, customers, suppliers, local communities and their families. Their safety and well being is today our top most priority. The company is making every effort to ensure safe protocols are followed at the work place and necessary assistance is being provided to employees' and their families for their well-being. Each one of us has a responsibility to go the extra mile and support the vulnerable and the needy. Our prayers go out to those families who have lost their loved ones.

In our message last year we had flagged the impact of the pandemic with the hope, that as lockdowns become less restrictive, economic growth will pick up and business will return to its normal pace. This indeed played out and despite many challenges; the company's performance during the financial year 2021 was satisfactory. Pro active measures and effective use of information technology ensured minimum business disruptions. The untiring efforts of our employees and

partners made this possible. We are grateful for their support.

Our Agri and related businesses were not impacted by lockdowns, with Sugar and Shriram Farm Solutions business delivering growth in volumes and profits. The Chemicals business was impacted by lower realisations and volume; however higher prices of PVC & Carbide (Vinyl Business) helped mitigate the impact. Fenesta business witnessed de-growth as operations were impacted in Q1 but recovered well during second half of 2021.

The Company's total revenues from operation stood at Rs.8,308 Crores in FY21 vs. Rs.7,767 Crores last year. Revenue of Sugar business was up by 34%, led by higher domestic and export volumes of Sugar and increased ethanol off take. Vinyl business registered a revenue growth of 32% driven by higher realizations from PVC. Shriram Farm Solutions registered a 13% increase in revenue. Chemicals business revenue was down by 26%.

Profit before depreciation, interest and tax, declined to Rs.1,244 Crores down 4% over last year. Net Profit for FY21 was down by 6% to Rs.673 Crores. The decline was primarily due to subdued business activity in

Q1 on account of countrywide lockdowns during the first wave of COVID-19. Despite the disruption, our businesses have shown resilience and agility during the pandemic. A significant achievement has been the reduction in working capital, as result our net debt declined from Rs. 1623 Crores in March 31, 2020 to Rs.180 Crore as on March 31, 2021. A steady financial performance and adequate liquidity has provided the company leeway to continue with its expansion plans across businesses. We believe that the Indian economy will return to a sustained growth path and investments in new capacities will provide adequate returns.

The financial year 2020-21 saw a decline in the country's GDP and it is too early to predict the full impact of the second wave of the pandemic on the Indian economy. We believe that with the learnings from last year, both the government and businesses will be able to handle the fallout more effectively. Business performance in the Q1 of financial year 2021-22 is expected to get impacted, given the large scale impact of the second wave of Covid-19.

During the year, as part of the CSR initiatives the Company actively worked towards Covid 19 related

From L to R: Mr. Ajay S. Shriram and Mr. Vikram S. Shriram

relief activities. This included contributions towards PM CARES funds and resource support in kind. Local authorities were provided with free sodium hypochlorite as a disinfectant as well as hand sanitizer. During the first quarter of 2021-22, six oxygen generation plants of 10m³/hr were installed at three district hospitals in Gujarat and UP and a 20m³/hr oxygen generation plant was set up at the CHC in UP, 115 oxygen concentrators have been provided to the Medical College in Kota , along with CHCs in UP and other locations. The four focus areas of CSR (health care, education, environment and rural development) identified by the company continue to make steady progress. In addition, the Company encourages employee volunteering, and their response in these difficult times has been heartening.

We would like to take this opportunity to thank all our stakeholders – members of the board, business associates, employees, suppliers, government authorities, lenders and shareholders – who have contributed to the growth of our company. With their cooperation, we are confident of delivering superior value to all stakeholders and earnestly hope and pray for their safety and well being.

With best wishes,



(Vikram S. Shriram)
Vice Chairman & Managing Director

(Ajay S. Shriram)
Chairman & Sr. Managing Director