



Chairperson’s Speech AGM-2021

A very good afternoon to all my dear shareholders! I hope that you and your families are keeping safe. Welcome to your Company’s 26th Annual General Meeting.

The Annual Report and audited financial statements of the Company for the year ended 31st March, 2021 have been with you for some time and I am sure you have gone through the same. I take this opportunity to share your Company’s performance during the year under review and some of the observations and the plans for the current financial year.

The textile industry suffered considerably for a few months during the first wave of the pandemic; the industry had shown some recovery after the first wave had passed, observed peak demand in yarn, hosiery and home textiles. Woven apparel did not get the same kind of demand because of continued lockdown and the shift to Work from Home. The demand was more for casual clothing.

The outbreak of the second wave of Covid-19 deepened the crisis. This has significantly slowed down the economy and disrupted both supply and demand. It significantly affected the demand of fashion and high end woven apparel. Discretionary spend has been worst affected due to the direct impact of the lockdown in our country as well as in certain other major markets.



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Our Company's business was also been affected mainly on account of nearly no demand and restricted manufacturing activity during the lockdown period.

The effect of Covid-19 on the performance of your Company is as under:

- The exact impact on profitability during lockdown period had been disclosed by the Company in its financial results for the year ended 31st March, 2021 announced on 19th May, 2021. Total Revenue for the FY 2020-21 was Rs. 195 Crore (rounded up) as against Rs.384 Crore for the same period in the previous FY. As a result of this, the Company posted a Loss After Tax of Rs.61.63 Crore for the FY 2020- 21 as against Loss After Tax of Rs. 26.43 Crore for previous FY.
- The Company has implemented strict cost control measures to conserve liquidity.
- Further the company has initiated a comprehensive debt restructuring exercise with the lenders consortium to align loan servicing terms with the projected cash flows of the company going forward.

The IMF expects the world economy to grow by 6% in 2021, up from its 5.5% forecast in January. The forecast for emerging and developing economies' growth is 6.7% for 2021, with India expected to expand by as much as 12.5%.

Indian domestic textile and apparel market is estimated at US\$ 75 billion in 2020-21. The market fell 30% from US\$ 106 billion in 2019-20. The market is expected to recover and grow at 10% CAGR from 2019-20 to reach US\$ 190



billion by 2025-26. Apparel constitutes ~73% share of the total T&A market in India.

India's T&A exports reached US\$ 33.5 billion in 2019-20. Due to the impact of Covid-19, India's T&A exports are expected to fall around 15% to reach US\$ 28.4 billion in 2020-21. India's exports of T&A are expected to grow to US\$ 65 billion by 2025-26, growing at a CAGR of 11% (source: AEPC website Wazir report)

China, which controls 35 percent of the global trade of which India has only 5 percent, is losing its market share as global brands diversify their supply chains away from China due to the possibility of health risks such as Covid-19 reoccurring and also ethical concerns, and there are few places in the world that can replace that capacity. India is one of those countries; the opportunity for India to double its trade is a real one, something we may not have seen in many decades.

The Company has quickly started following the new trends of demand and accordingly planned its strategies to get back to better utilization of its capacities and grow its market share. Some of these include shifting our product portfolio towards nightwear and loungewear, and digitizing our design collections.



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The current situation of business is quite challenging but I am sure our people will work hard to minimize the impact of demand destruction by innovation and adapting to new normal.

I extend my sincere thanks to all our stakeholders, including our customers, suppliers, our loyal, hardworking and committed employees, lending banks and financial institutions, and most importantly you the shareholders for your unstinted support and co-operation.

Thank you once again. Stay healthy, stay safe.

Mumbai

July 29, 2021

Urvi A. Piramal

Chairperson