



AGM Speech for FY23

Mr. Sridhar Srinivasan

I wish you all a warm welcome to the 13th Annual General Meeting of our Company.

India's economic growth was 7.2% in FY 2022-23. India emerged as the second fastest-growing G20 economy in FY 2022-23 to become the fifth largest global economy.

Over the span of nine years, per capita income nearly doubled to reach Rs. 1.72 Lakhs, exhibiting a 15.8% increase from the preceding year. India's GDP per capita stood at 2,320 USD as of March 2023, inching close to the pivotal threshold of \$2500, often associated with increased consumption trends globally. Despite the presence of headline inflation, private consumption in India displayed sustained vigor, with an estimated growth of 7.3% during the fiscal year 2022-23.

India stands on the verge of substantial investments across diverse sectors, positioning itself as a viable industrial counterpart to China. The country is on track to surpass both Germany and Japan, solidifying its position as the world's third-largest economy by the decade's conclusion. Notably, the prospects for private business investment remain optimistic, even in the face of rising interest rates.

The domestic textile and apparel industry in India holds significant importance, contributing nearly 2.3% to the country's GDP. It also accounts for 14% of industrial production, 27% of foreign exchange inflows and 13% of export earnings. In FY 2022-23, the Indian apparel market experienced a 15% expansion, while revenue growth has crossed pre-Covid levels, the segment is expected to witness a significant demand recovery only by the second half of FY24.

During FY 2023, the sales growth in the apparel market was predominantly propelled by price increases, as there was a 3% decline in the volume of products purchased by consumers. However the apparel market is projected to observe a substantial volume growth, reaching approximately 38.93 billion pieces by 2027, exhibiting a volume growth rate of 3.8%.

The women's bottom wear business is expected to grow to Rs. 24,300 crores by FY25, representing a 35% increase. This growth is fuelled by increasing fashion awareness and higher disposable income.

The Labour Force Participation Rate (LFPR) for women aged 15 years and older in India showcased a rising trend, recording percentages of 30.0%, 32.5%, and 32.8% during 2019-20, 2020-21, and 2021-22, respectively, which signals an increasing presence of women in the labour force. This surge in LFPR is contributing to notable growth in the formal women's bottom wear segment, driven by the expanding number of women in the corporate realm and their growing economic autonomy. Urban professional women are embracing concepts like 'boardroom dressing' and 'business dressing,' propelling the demand for formal bottom wear. Moreover, a shift toward favouring distinct tops and bottomwear over traditional suit sets underscores the significance of well-designed standalone products.



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The anticipated increase in India's urban population, projected to rise from 35.39% in 2021 to 43.2% by 2035, is set to play a pivotal role in propelling the nation's women's apparel sector. Urbanisation brings higher disposable incomes, fashion awareness and access to online shopping platforms, boosting demand for fashionable clothing.

The aspirational mindset of the youth, inclined towards branded products and improved shopping experiences, propels demand across different segments and price ranges, mirroring consumption trends observed in the West.

With the rise of social media and fashion influencers, there has been an upswing in women's fashion awareness. This heightened awareness of current trends, styles, and brands has resulted in a greater desire for a diverse range of fashionable clothing choices.

The rise of sustainability in fashion is driving growth in the industry. With a shift away from fast fashion's throwaway culture, sustainable fashion embraces slow production and organic practices.

With this, I would like to handover to our CEO, Mr. Gautam Saraogi for his thoughts.

Thank you all.