

12th August, 2024.

To,

BSE Limited,
Phiroze Jijibhoy Tower,
Dalal Street,
Mumbai

Scrip Code: 503811

National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051

Company Symbol: SIYSIL

Sub: Transcript of Analyst / Investor Meet.

In nexus to the captioned subject and in terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed is the Transcript of the Analyst/ Investor Meet held on 7th August, 2024.

The same will also be available on the website of the Company www.siyaram.com.

This is for your information and records.

Thanking you,

Yours faithfully,
For SIYARAM SILK MILLS LIMITED

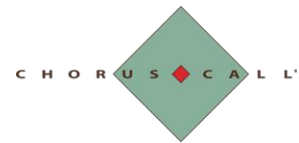
William Fernandes
Company Secretary

Encl : a/a



“Siyaram Silk Mills Limited
Q1 FY '25 Earnings Conference Call”

August 07, 2024



MANAGEMENT: **MR. RAMESH PODDAR – CHAIRMAN AND MANAGING
DIRECTOR – SIYARAM SILK MILLS LIMITED
MR. GAURAV PODDAR – PRESIDENT AND EXECUTIVE
DIRECTOR – SIYARAM SILK MILLS LIMITED
MR. ASHOK JALAN – SENIOR PRESIDENT AND
DIRECTOR – SIYARAM SILK MILLS LIMITED
MR. SURENDRA SHETTY – CHIEF FINANCIAL OFFICER
– SIYARAM SILK MILLS LIMITED**

MODERATOR: **MS. MAMTA NEHRA – ORIENT CAPITAL**

Moderator: Ladies and gentlemen, good day and welcome to the Q1 FY25 Earnings Conference Call of Siyaram Silk Mills Limited. As a reminder, all participants' 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 the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Mamta Nehra from Orient Capital. Thank you and over to you, ma'am.

Mamta Nehra: Thank you, Neha. Good afternoon, ladies and gentlemen. I welcome you all to the Earnings Conference Call of Siyaram Silk Mills Limited to discuss the Q1 FY25 business performance. To discuss this quarter's performance, we have from the management, Mr. Ramesh Poddar, Chairman and Managing Director, Mr. Gaurav Poddar, President and Executive Director, Mr. Ashok Jalan, Senior President and Director, and Mr. Surendra Shetty, Chief Financial Officer. Before we proceed with this call, I would like to mention that some of the statements made in today's call may be forward-looking in nature and may involve risks and uncertainties.

For more details, kindly refer to the investor presentation and other filings that can be found on the company's website. Without further ado, I would like to hand over the call to the management for the opening comments and then we will open the floor for questions and answers. Thank you and over to you, Ramesh sir.

Ramesh Poddar: Thank you. Good afternoon and thank you for joining us for Siyaram Silk Mills Ltd. Earnings Conference call covering the Q1 FY25 results. I hope you all had the opportunity to review our financial results and investor presentation, which have been uploaded to both the stock exchange and our company website. Over the years, we have evolved into one of India's most reputed brands and marketeers of the fabrics and ready-made garments and other textile products. We have crafted a robust and diversified value proposition designed to cater to the deeper desires and growing aspiration of consumers across the country.

We have and continue to expand the horizons of our outreach by bringing more customers into our business pool through multiple channels of growth with an enhanced focus on building our retail presence to force stronger connections with our customers. Despite experiencing sluggish consumer demand in textile and apparel industry, which was further impacted by the severe heat wave and election-related disruptions in sales channels, we are poised to benefit from the anticipated revival in retail. We are adopting an innovative new approach to maximize the emerging opportunity by moving closer to end consumers.

Today, it gives me immense pleasure to share that we have taken one more significant step to connect with our end consumers by taking a decision to open retail outlets in tier 1, 2 and 3 cities. We will be opening approximately 30 fast fashion and ethnic retail outlets separately in this fiscal year. We began our study a few months back and have begun allocating the necessary resources to ensure the successful execution of these retail projects.

Our strategy includes a disciplined capital approach to maintain financial prudence while expanding our retail footprint. The store will be opened in phased manner, allowing us to gradually introduce our new offering and carefully monitor the response of each store. This phased approach will enable us to make any necessary adjustment in real time, ensuring that we meet the unique needs of preferences of our diverse customer base.

By establishing these new outlets, we aim to enhance our direct engagement with customers, providing them with a seamless shopping experience and access to our high-quality products. This move is not just about expanding our physical presence, but also about reinforcing our commitment to understanding and serving our customers better. We are confident that this strategic initiative will position us to capitalize on the anticipated retail market revival and drive long term growth for our company.

Our efforts moving forward with focus on deepening our understanding of consumer needs. Although the current retail environment is sluggish, the long-term fundamentals of the industry remain promising. As economic conditions stabilize and consumer spending starts to rebound, we expect a gradual recovery in demand.

We believe that with careful attention to evolving market trends and consumer preferences, we can position ourselves to benefit from the anticipated improvement in the industry. Our strategy is crafted to maximize the opportunity that we see unfolding in the coming years as the company moves towards greater stability and consumer buying power increases. Also, with the onset of festivities from the second half of FY25, we believe it will bring favourable opportunities to thrive. I will now hand over the call to Mr. Gaurav Poddar to discuss the business performance in detail. Thank you.

Gaurav Poddar:

Thank you, Rameshji and good afternoon to everyone. Thank you for joining us on the call. As you might be aware, the first quarter often experiences weaker consumer demand due to fewer occasions and reduced festive related spending. Moreover, this year we faced additional challenges in the form of a severe heat wave and election related disruptions that further impacted consumer demand. Despite these challenges, we anticipate that consumer demand will begin to increase from third quarter driven by upcoming festivities. Currently, we have our store presence across the country largely through the franchise model.

In addition to our existing footprint, we will initiate new retail projects with the launch of approximately 30 new fast fashion and ethnic wear retail outlets separately in tier 1, 2 and 3 cities by March 25 with an investment of approximately INR50 crores. These stores will be funded through internal accrual. These new stores will operate under a company owned, company operated model allowing us to maintain direct control over the consumer experience and ensure consistent high-quality service across all locations.

This expansion is a strategic move to deepen our market penetration and strengthen our connection with consumers. By opening new outlets in diverse urban and semi-urban areas, we aim to cater to a broader audience and capture the growing demand for fast fashion and ethnic wear. Our focus on a company owned model will help us enhance our revenue and profitability over the long term.

We will continue to invest in our advertising and sales promotions to enhance brand presence and drive sales growth in line with our strategic decision from the previous fiscal year. Our exciting marketing campaigns and initiatives have led to the evolution of Siyaram's as a differentiated, distinguished and dynamic brand. The uptick in domestic demand, our investments in expanding our retail footprint and our commitment to quality will be key drivers of our growth.

By enhancing operational efficiency, we are well positioned to create value and drive growth for the company. Now I would request our CFO Mr. Surendra Shetty to share highlights of our financial performance.

Surendra Shetty: Thank you Gauravji. Good afternoon, everyone. I would like to discuss the financial performance of the company. Our total income for the quarter 1 financial year 25 is INR331 crores as compared to INR362 crores in quarter 1 of financial year 24. A decline of 9% year on year basis. This decline in revenue can be attributed to the continued weakness in the consumer demand.

During the quarter 1 financial year 25, fabric contributed 77%, garment 13% and yarn and others 10% of Q1 financial year 25 revenue. EBITDA for the quarter is INR34 crores as compared to INR31 crores in quarter 1 financial year 24. An increase of 11% year on year basis and EBITDA margin for the quarter is 10.3%. PAT for the quarter is INR12 crores as compared to INR10 crores, a year-on-year increase of 20%. And PAT margin for the quarter is INR3.60 crores. Thank you. That's all from my side. Now the floor is open for the question and answer.

Moderator: The first question is from the line of Naitik from NV Alpha Fund. Please go ahead.

Naitik: Hi. Thanks for taking my question. So, my first question is can you please talk about store economics, the stores that we are going to open. What sort of store economics and payback period are we looking for?

Gaurav Poddar: So, the new retail projects that we are talking about, basically there are two projects. One is a fast fashion retail store and the other one is an ethnic wear retail store. So, there are two different projects with two different brands and two different store economics. We have done our initial calculations and we hope to open these stores just before Diwali. So, while we have internal workings, we would like to experience this rather than on paper and on actual and then maybe discuss this further in the coming quarters.

Naitik: Can you talk about at least the capex per store and inventory that is required per store if not the payback and revenues?

Gaurav Poddar: Right. So, these stores will require about anywhere between about INR1.25 to INR1.5 crores for capex and an inventory would also be in that range, one, one and a half crores per store.

Naitik: Right. That's it from my side. I'll come back and look for more questions. Thank you.

- Moderator:** Thank you. The next question is from the line of Avinash Nahata from Parami Financial Services. Please go ahead.
- Avinash Nahata:** Yeah. Thanks for the opportunity. So, I also have a question regarding the store. So, these stores would be completely operated by the company itself. So, this is no more business associate or franchisee partners.
- Gaurav Poddar:** So, our existing model is largely a franchise driven store model where we are working on largely a buy and sell model. So that model will still continue, but our new focus is building these two retail projects. These two retail projects we are starting off with the company owned company operated model where company will be renting the store, doing up the furniture and doing the day-to-day operations, managing the operations where the investment is of the company. Okay. That is the model we are looking at for going forward for this, these two new retail projects for now.
- Avinash Nahata:** So, this particular model will be for ethnic wear as well as this fast fashion. So, what stores we have presently, the company is not going to participate in those kind of stores?
- Gaurav Poddar:** The company will continue to expand that through the franchise route as we are doing currently.
- Avinash Nahata:** That is the same as the business associates I meant.
- Gaurav Poddar:** That is right. That is a separate model. These are going to be new stores under the two new brands for these two categories.
- Avinash Nahata:** Okay, and this entire ethnic wear and the fast fashion would be on outsourced model as far as garments are considered.
- Gaurav Poddar:** That is right. And the product is going to be all finished product. So, it is going to be all apparel, no textile as such. And the model is an outsourced model where we will be involved in the supply chain, but ultimately, we will buy a finished product.
- Avinash Nahata:** And if you can touch upon what kind of cities, ballpark we are looking at?
- Gaurav Poddar:** So, to start off with this fast fashion model, we are looking at, for both of them we are looking at a clustered approach of opening. For the fast fashion we are looking at south of India in Karnataka, Bangalore and surrounding cities. And for the ethnic wear we are looking at north of India in Delhi and maybe other cities around it.
- Avinash Nahata:** Okay. And have you hired somebody to run this business?
- Gaurav Poddar:** Yes, they are two independent projects. And for these we need a different line of thinking because the categories are completely different. So, we have two different teams that are running this project. We have hired retail professionals, people who understand this industry and this product individually for each segment.

- Avinash Nahata:** And since you said you want to do certain stores before Diwali so that you can get this particular season, so which means you would have entered into certain lease agreements and you would have started the stores?
- Gaurav Poddar:** We are in the process. We have been putting up everything on paper and now we are in the process of executing all of this.
- Avinash Nahata:** So, can you turn around before Diwali, I mean 1-2 months, just over the next 2-3 months everything?
- Gaurav Poddar:** Yes. I mean we have a plan of opening 30 shops by the year end. We just want to start with a few shops before Diwali so that we can catch the season and then the expansion can continue.
- Avinash Nahata:** And from a market positioning perspective, if you can talk independently about ethnic wear and the fast fashion, mostly ethnic wear because we are aware of what kind of brands are available. So how are we positioning our stuff in the market?
- Gaurav Poddar:** So, I would hope to talk about this more once we open these stores, so that I can give you a general idea that ethnic wear will entail basically menswear in the mid-price segment and the fast fashion will be a family store of men's, women's and kids in the mass value retail format.
- Avinash Nahata:** Okay. One bookkeeping question, this other income of INR24 crores and INR8 crores in the last year, how much of this is operating income out of this, if somebody can help?
- Surendra Shetty:** Around INR12 crores.
- Avinash Nahata:** INR12 crores is operating other income?
- Surendra Shetty:** Operating and balance is the one time that we have mentioned in the notes is the capital subsidy we have received. As per the policy of the company, we are accounting this as and when it is recognized. So, when we are assured that it is coming, then only we are taking the entry. So, this time, in this quarter, we got the assurance and accordingly recognized in the profit and loss account.
- Avinash Nahata:** So, this is INR12 crores which is the subsidy being recognized in this particular quarter?
- Surendra Shetty:** Around INR13 crores.
- Avinash Nahata:** So, this is not on a cash basis because most of the companies recognize this on a cash basis.
- Surendra Shetty:** This is also cash basis. What I said, as soon as we know that assurance is that we are getting that money, then only we recognize. Because this is the capital subsidy received from the state government on the eligible machineries. So, we have to submit our application, thereafter a lot of approvals etc. is there. So, once they come to this is the conclusion, this is the amount you are going to get, we recognize as per the letter we have received.
- Avinash Nahata:** And the balance INR10-INR11 crores is treasury income, is it?

- Surendra Shetty:** Yes, not treasury income, we got interest received from the customers, others, rent etc. Your normal operational expenses income.
- Avinash Nahata:** So, what is the reason that we put it in the presentation before the EBITDA? The entire INR24 crores?
- Surendra Shetty:** This is the operational expenses and see this is the policy of the company that as and when we recognize as per the accounting standard, we have to take it on the other income only. We examined this and accordingly we have put up.
- Avinash Nahata:** No, so when you are putting up a presentation, the accounting standard doesn't come into play. I mean, either you put it as operating income and other operating and I mean, that's the standard followed by everybody. So that's why I'm asking this question.
- Surendra Shetty:** No, since we are taking in this other income, so in the presentation also we put up over there.
- Avinash Nahata:** Thank you so much and all the very best for the new venture. Thank you.
- Moderator:** Thank you. The next question is from the line of Sahil Vohra from Amadeus Associate. Please go ahead.
- Sahil Vohra:** Yes, sir. I had a couple of questions. So, what are the key initiatives in expanding your digital footprint and how do you plan to attract online shoppers in general?
- Gaurav Poddar:** So, our existing business model is largely done through a distribution model and while we have a small presence on the digital platform, the digital channel requires a lot of discounting which conflicts with the trade and distribution setup that we have currently. So that percentage is very small and we don't expect that to grow in the near term because we don't want to create a conflict in the existing channel.
- Sahil Vohra:** Okay, understood. And the next question is with the addition of 30 new stores, what revenue growth can we anticipate and who will be the target customer?
- Gaurav Poddar:** So, the revenue growth for these 30 stores, I mean in this year it is difficult to say because it is all opening month on month but in the next year, we can estimate a revenue top line of about INR100 crores from these 30 stores.
- Sahil Vohra:** Got it, got it. Thank you so much. Thank you.
- Moderator:** Thank you. The next question is from the line of Keshav Garg from Counter Cyclical PMS. Please go ahead.
- Keshav Garg:** Sir, so I am trying to understand that we are opening 30 stores with a capex of INR50 crores which will give us a revenue of INR100 crores. So firstly, whether this is just cannibalizing our revenue from other multi-brand stores? Will the same revenue shift to these stores? And secondly, even if we are doing INR100 crores, then sir, on a low single, low double-digit margin, what kind of return on capital are you expecting? Basically, I don't think we are getting anywhere near the cost of capital.

Gaurav Poddar: So, for the first question, India is a very diverse market and there are different channels through which we are approaching. Our industry is still largely very unorganized and the distribution and multi-brand reaches is a very penetrated till the lowest, points of India. So, it is very difficult to say if it is going to cannibalize.

We can see that organized retail is increasing as a percentage of overall industry and industry size is also increasing. The industry size is very, very large and we want to participate in this new organized retail format and therefore we are entering into this. The existing business will still continue to grow and we still continue to believe in the distribution model but this is a new segment and a new part of the business which we were not actively participating in.

So, this will create a new opportunity for us and whereas the cost of capital is concerned, it is still very early days. We need to open the stores and understand the economics, what we have on paper versus what we actually achieve and then we will be in a better position to answer your question.

Keshav Garg: Right. Sir, and also now if we see that in first quarter of FY23, we did around INR400 crores revenue. Then last year Q1, we did INR350 crores revenue and this year we are around INR300 crores. So, basically on an already low base, we are degrowing whereas if we look at the industry, if you look at GoFashion numbers or even Credo brand numbers or others, either they have grown or they have held their whatever they did last year. So, it seems that only Siyaram is getting hit disproportionately and even if we see past 5 years ending FY24, the revenue growth is 2.9% which is like half the inflation rate. And from that kind of low base, we are now degrowing. So, I mean I am not able to understand that despite running 15 brands, how is it that we are not getting traction in anything that we are doing?

Gaurav Poddar: See, the market in the last 12 odd months or so has been quite weak and the model that we are following is largely a distribution model which runs with a lag because of channel inventories and this model has been sluggish for the last few months and therefore there is a degrowth. That is one of the reasons also in organized retail where there is a control of store openings and there is a control of how you can reach the consumer directly by avoiding channels. That is why also is a reason to participate in that new market and all the names that you take are more of the organized retail participants whereas we follow a distribution driven model. So, that is a key difference.

Keshav Garg: Sir, and out of our roughly INR2,000 crores revenue that we are doing, sir, how much is approximately coming from the Siyaram brand?

Gaurav Poddar: We don't classify it brand wise because within Siyaram also there are multiple brands, so as a fabric overall we are giving you a number of about 77% and that is across all brands. The idea of creating these different brands was to create more shelf space for the consumer and to create more distribution channels so that there is no conflict between the channels. So that was the reason to create more market share.

Keshav Garg: Sir, so basically, we are only selling fabrics under Siyaram and not the suiting and garment etc under Siyaram?

Gaurav Poddar: We are selling fabrics under Siyaram. We are selling also garments under some brand of Siyaram. But that is a very smaller business. The larger part of the business is the fabric business.

Keshav Garg: Sir, in all the other brands that we have, Mistair, J. Hampstead, etc, sir, all those brands, we are selling fabric under those brands also or we are selling fabric only under Siyaram brand and the rest of the 14 brands we are selling basically garments and other things?

Gaurav Poddar: Primarily, we have four different brands. Siyaram's is the main brand, J. Hampstead is another brand, Cadini is the third brand and Oxemberg is the fourth brand. The rest of the brands, Mistair and other brands that we have are all sub-brands of Siyaram.

Keshav Garg: Sir, what I am trying to zero in on is that, sir, you see Siyaram, our legacy brand, sir, I don't think we can sell a western item like suit and tie and suit under a like desi brand like, Siyaram. and sir, I think management appreciates that. That's why we have come out with other foreign sounding brands. So, is it that we are trying to sell a western category under an Indian brand and that is why maybe we are not able to do as much as we are trying to do?

Gaurav Poddar: See, I think the brand has been present in the market for over four decades now and it is a popular household name. We have been able to create a brand that is on top of the mind recall for many, many years and this brand is largely used in the sale of fabric. This new retail expansion that we are doing are two different brands altogether to create an awareness with the kind of people that we want to approach for that market.

Keshav Garg: Sir, and lastly, sir, now with this recent budget, sir, basically after 1st of October, buyback will practically become impossible. And then only way to distribute cash is dividend, which will entail 39% taxation. Sir, whereas buyback will attract 23%.

Sir, so we should utilize this last opportunity that is there, this small window period till 1st of October to do as big a buyback as you can do. Because after that, we will unable to do it till this policy remains. Sir, so kindly consider that suggestion.

Gaurav Poddar: Okay. Thank you for your comment. We will consider it.

Keshav Garg: Thank you, sir.

Moderator: Thank you. Ladies and gentlemen, you may press star and one to ask a question. The next question is from the line of Sunidhi Joshi from KP Capital Advisors Private Limited. Please go ahead.

Sunidhi Joshi: Yeah. Sir, I was going through the transcript and you had mentioned on starting a new yarn division. How has that performed this quarter? Some listed yarn peers have reported great results. So, I am wondering how did our division perform?

Gaurav Poddar: Yes, yarn business, what you are talking about is not a new division. It is an investment made many years ago. It is, but it is not a spinning business. It is an indigo dyeing business where we are buying grey cotton yarn, grey cotton and cotton blended yarn and doing indigo dyeing on

this. So, in the last quarter, we had mentioned that we are trying to forward integrate that and increasing the knitting side of the business. So, we are taking that yarn and selling knitting fabrics.

So, in this quarter, we have been able to increase the sale of the knitting fabrics from the last quarter last year and that has helped us in the bottom line.

Sunidhi Joshi: Okay. Can you help us understand the customer profile of this division? Do we also utilize some portion of yarns for self-consumption? What is the long-term contribution you see from this division?

Gaurav Poddar: So, this division basically sells indigo yarn and now knitted fabrics to consumers who use for denim related products for casual wear. So, it is a unisex kind of a product, men, women, kids, anyone who wants to make a knitted denim garment would be a consumer for this. So, basically brands and traders are consumers and denim is a growing industry. So, it is a good segment that we believe we should be in.

Sunidhi Joshi: Okay. Got it. And also, just wanted to understand since Bangladesh crisis could potentially benefit the apparel and textile industry. So, how is this situation is going to impact Siyaram? Can we expect increase in exports?

Gaurav Poddar: So, it is too early to comment on what is happening in Bangladesh at the moment. Of course, there might be some short-term gains that we expect but how it plays out will be seen more in the long term. We do have our export, very largely export fabric in Europe and other countries around the world and that is an opportunity that we can look at to sell garments as well.

Sunidhi Joshi: Okay. And I don't know if this question was taken earlier. I was away for a while. So, as there is a decrease in total income compared to the previous quarter, could you outline the strategies or actions planned to increase the income levels in the upcoming quarter?

Gaurav Poddar: So, the revenue that has been decreased is largely due to the sluggish demand and we expect in the second half of the year once the festive season starts after the Shradh period till the end of the year there is continuous weddings and festivities. So, we expect that the revenue should pick up by then the demand sentiment should get better and we should be able to match our original estimates. And then these store openings also will help us for the rest of this year as well as largely in the next year and going forward.

Sunidhi Joshi: Okay. And one last one from my side, the substantial increase in other incomes. So, could you provide insights into the reasons behind this increase?

Gaurav Poddar: Largely, there is a INR13 crores increase that has been reported in the notes of the balance sheet as well. That is largely due to the receipt of capital subsidies that the incentives that the government provides. So, that money has been received and that is why this increase in other income can be seen.

Sunidhi Joshi: Okay. Thank you, sir.

- Moderator:** Thank you. The next question is from the line of Devang Mehra from SKS Capital. Please go ahead.
- Devang Mehra:** Hello, sir. Thank you for the opportunity. So, I have two questions. First is, how will be the new 30 stores will be distributed between the fast fashion and ethnic wear categories? And additionally, what marketing strategies will be implemented to drive the revenue growth from these new stores?
- Gaurav Poddar:** So, these are approximately 30 stores and in these approximate 30 stores, fast fashion would be approximately 20 and the ethnic wear would be approximately about 10. And that is how we came up with the number 30. But these are all approximate and we aim to achieve these numbers.
- The marketing strategies will largely be through the digital route. And since we are opening these stores in a clustered approach, then there will be some local marketing to increase footfall.
- Devang Mehra:** Okay, sir. Got it. And the second question, when will the rollout for these new 30 stores be scheduled to begin? And will the opening of these stores commence in the next quarter or by the end of the year, by 2025?
- Gaurav Poddar:** We plan to start with a few stores just before Diwali and then keep opening the stores till the end of March.
- Devang Mehra:** Okay, sir. Got it. Thank you so much.
- Moderator:** Thank you. The next question is from the line of Guneet Singh from Counter Cyclical PMS. Please go ahead.
- Guneet Singh:** Sir, thank you for this opportunity. So, our revenues have almost remained stagnant since FY22. So, I would like to understand, what is the outlook for the current financial year in terms of top line and bottom line? Do we expect any growth or do we expect to see a flat year? And also, in terms of the bottom line with new stores opening, can we expect the margins to go down from what we experienced last year?
- Gaurav Poddar:** We had indicated a rough estimate for the overall year where we had projected an annual growth of approximately about 10%. And we would like to stick to that guidance for the whole year. And for the bottom line, our estimated EBITDA was roughly a range of between 14% to 15%. We would still like to stick with that number. Although these new stores would probably put the margins under some pressure, but we cannot estimate that number right now.
- Guneet Singh:** Alright, sir. As one of the previous participants alluded, we have a window of opportunity to do a buyback before 1st of October because of the higher taxation post that. So, since the revenues have been stagnant for a while and we are also experiencing degrowth, why don't we consider seriously to do a buyback and extinguish some of the shares out of the market, so our EPS grows at least by these means. So, I would suggest to consider this seriously.

- Gaurav Poddar:** Sure, we have noted the comments. Thank you.
- Moderator:** Thank you. The next question is from the line of Manas Thakkar, an individual investor. Please go ahead.
- Manas Thakkar:** Hello. Thanks for the opportunity. Sir, as you mentioned that severe heat wave and elections led to decrease in demand. So, was it like only volume was down or was there something about price realizations and all?
- Gaurav Poddar:** Price realizations are generally quite standard and it is more to do with change in product mix. So, it is largely a volume decrease.
- Moderator:** Sorry to interrupt you, Manas. Your voice is breaking. I request you to come back for a follow-up question. Ladies and gentlemen, you may press star and one to ask a question. The next question is from the line of Manish Jain, an individual investor. Please go ahead.
- Manish Jain:** Thank you for the opportunity, sir. Sir, my question was regarding this new brand ambassadors, which we have taken Ranbir Kapoor, Aditya Roy Kapoor and Rana Daggubati. The expenses for this have already been charged in the profit and loss account of the last quarter or it will come in the remaining quarters? Any expenses related to this marketing and other advertising and all these brand ambassadors?
- Surendra Shetty:** These are the professionals. These professionals are in a phased manner. They are in contract for three or four years. So, over the period of time, you are taking into the profit and loss account. So, certainly it will be charged.
- Manish Jain:** So, what are the charges?
- Surendra Shetty:** We will have to keep it secret. We can't disclose it.
- Manish Jain:** But it will come in the usual marketing and advertising expenses and the expenses will not spike in a single quarter like that?
- Surendra Shetty:** No, it will not. These are the provisions we are taking.
- Manish Jain:** Sir, my second question was regarding the retail footprint. Sir, I think our retail footprint for the last five years, the touch points from where we sell the product has not increased in the last five years. So, I think I wanted to ask more about these things, sir.
- Gaurav Poddar:** So largely, our business is through the distributor model and we keep increasing the distributors and then the distributor services retailers. So, that is a continuous process and the MBOs as a whole is a large number because it is penetrated through rural India. As far as our own stores are concerned, we operate through a franchise buy and sell model which is a slightly difficult model to keep opening because the franchisee has to invest upfront and then buy stocks and which is why now we are going through this new organized retail model where we are opening company stores.

- Manish Jain:** Yes, sir. But in this organized retail model, we are not targeting our old business fabrics and all that. We are coming into the fast fashion like a Zudio or something like that. So, all I wanted to ask was what is this new brand, sir? You had discussed in the last meeting that something like a men's bazaar. What is the brand of this new fast fashion brand name?
- Gaurav Poddar:** So, this new fast fashion brand is something that we are still in the process of the registration and everything else. So, we cannot disclose the name now. But we will be opening the stores before Diwali. So, there are going to be two different brands, one for the ethnic wear and one for this fast fashion. Both of these will be from the house of Siyaram's. They are not going to be called Siyaram's. They are going to be new brands, but it is going to be from the stable of the Siyaram company.
- Manish Jain:** So, as you said that these are mass brands, so it will be more like a pricing like a Zudio?
- Gaurav Poddar:** That is something that we will have to discuss over the next few calls.
- Manish Jain:** Okay, sir, but your guidance for the whole year is 10% on the revenue and in the first quarter we are down by like 10%. But I have to give a point that in this first quarter the wedding season was lukewarm. So, that has to be taken into account. But do you think in the next ensuing three quarters we will be able to do that?
- Gaurav Poddar:** Yes, we are hopeful that the market should pick up after the Shradh season gets over. Then we see continuous weddings and festivities for the second half of the year. And we are hopeful that we are able to maintain our guidance of 10% growth.
- Manish Jain:** Sir, what is the feedback about the wedding season for third and fourth quarter? Is it better than the last year?
- Gaurav Poddar:** We are very optimistic about this wedding season because now when the market is slow, we are doing many conferences and exhibitions and displays where we have lot of interaction with our distributors, retailers and they are giving very positive feedback and about the next season they are all excited and hopeful that the demand revival is there. And so, based on that feedback we are confident that the market should improve.
- Manish Jain:** Sir, and about our Siyaram fabric business and J. Hampstead fabric business. Sir, what kind of a feedback are we getting? Is the market itself growing or it is stagnant? Because I think that in the fabric business somewhere we are just losing some market share to other players because when we see in the fabrics also Arvind and Raymond, they are not showing such a degrowth like us, sir. I have to give a point that their retail footprint has grown massively in the last 5-7 years. So, I wanted to ask more about that, sir. In the fabric business also we are going down, sir.
- Gaurav Poddar:** In the fabric business traditionally, the market is growing at a slow pace, slower than the apparel business, but the market is still largely unorganized. So, we see a lot of movement from unbranded to the branded players and the market share for the brand we would continue to believe that it is stable or increasing. It is just that the market has been weak in the last year or so and that is why the degrowth of sales can be seen.

- Manish Jain:** But we have not lost any market share, sir.
- Gaurav Poddar:** It is very difficult to estimate this because there is no verified data, but this is what we assume.
- Manish Jain:** But I think in the last 5-7 years another brand Reid & Taylor has gone out of market and other small brands also are not so active like Grasim and Vimal and other small brands are not coming out with any advertisement or are not very active. So, I think we should have got some more market share that is what my feeling is.
- Gaurav Poddar:** We are taking continuous steps as and when we feel wherever there are areas we are launching new sub-brands, new categories, adding distributors where it is required to address the market and we are changing the product mix to service whichever areas we feel we can tap further. There are many unbranded players in this segment also which do not advertise.
- Manish Jain:** We are trying for more styles and more designs and more shades like that?
- Gaurav Poddar:** Style and design is part of the collection but new categories, new sub-brands where we can increase our distribution network and reach to the final consumer.
- Manish Jain:** Okay, sir. Best of luck for you, sir, for the future. Thank you very much.
- Moderator:** Thank you. Ladies and gentlemen, due to time constraint we are taking our last question from the line of Avinash Nahata from Parami Financial Services. Please go ahead.
- Avinash Nahata:** Yeah, just one clarification. Are any of these brands like Cadini and J. Hampstead, are we a licensee or we are owners of the brand?
- Gaurav Poddar:** All these brands we are owning the brand.
- Avinash Nahata:** So, if I could remember, I could see some of the stores of Cadini some 8-10 years back, can you just share what has happened and I am not clear on that.
- Gaurav Poddar:** So, we had opened Cadini Apparel Outlets few years back before COVID. Cadini is an Italian brand that we had acquired many years ago and it is still a running company in Italy where we participate in exhibitions and sell made in Italy finished garments across the world in Cadini and other private labels to many retailers across the world. So, these are very high quality, very premium products.
- We bought this brand and started distributing fabrics in India and then we extended it to garments and retail. Then once we started doing that, we experienced that there was the pricing that we were keeping in India for the readymade garments was because the product is made in India and we wanted to have it suitable to the Indian market, the pricing was much lower than what they were selling in Italy and the made in Italy product. So, we decided to keep the brand value and maintain the premiumness and the high value that they are maintaining in Italy and therefore we discontinued these stores in India and we continued to sell fabric through the distribution route.
- Avinash Nahata:** So, the way you sell J. Hampstead and other brands, you distribute similarly the Cadini as well?

Gaurav Poddar: That's right, through a different network.

Avinash Nahata: And Reid and Taylor doesn't belong to us?

Gaurav Poddar: No, it does not

Avinash Nahata: Thanks a lot. Thank you so much.

Moderator: Thank you. Ladies and gentlemen, we will take this as a last question. On behalf of Siyaram Silk Mills Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.