

Date: 27th May, 2026

To,

BSE Limited, Phiroze Jijibhoy Tower, Dalal Street, Mumbai	National Stock Exchange of India Ltd. Exchange Plaza, 5 th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051
Scrip Code: 503811	Company Symbol: SIYSIL

Sub: Transcript of Analyst / Investor Meet held on 21st May, 2026

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 21st May, 2026.

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

Mahipal Thakur
Company Secretary & Compliance Officer

Encl: a/a.

Siyaram's

“Siyaram Silk Mills Limited
Q4 FY '26 Earnings Conference Call”

May 21, 2026

Siyaram's

 **MUFG**



MANAGEMENT: **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
MR. DINESH JAITHLIYA – VICE PRESIDENT, FINANCE – SIYARAM SILK MILLS LIMITED

MODERATOR: **MS. MAMTA NEHRA – MUFG INTIME INDIA PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Siyaram Silk Mills Limited Q4 FY '26 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 star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Mamta Nehra from MUFUG Intime India Private Limited. Thank you, and over to you, ma'am.

Mamta Nehra: Thank you. Good morning, ladies and gentlemen. I welcome you to the Q4 and FY '26 Earnings Conference Call of Siyaram Silk Mills Limited. To discuss this quarter's performance, we have from the management, Mr. Gaurav Poddar, President and Executive Director; Mr. Ashok Jalan, Senior President and Director; Mr. Surendra Shetty, Chief Financial Officer and Mr. Dinesh Jaithliya, Vice President, Finance.

Before we proceed with the 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 their opening remarks, and then we can open the floor for Q&A. Thank you, and over to you, sir.

Gaurav Poddar: Thank you, Mamta. Good morning, and a warm welcome to everyone joining us today for the earnings conference call of Siyaram Silk Mills Limited to discuss the financial results of quarter 4 and full year FY '26. Thank you for taking the time to be with us. I hope you have had the opportunity to review our financial results and investor presentation, which have been uploaded on the stock exchanges and the company website.

Siyaram has long carried the spirit of Indian textiles across generations, establishing itself as a distinguished name in the textile and apparel industry. What began with a strong foundation in fabrics has seamlessly evolved into a diversified fashion and retail presence guided by a vision that embraces change while remaining deeply rooted in tradition.

Today, Siyaram continues to strengthen its position through a focus on quality, design, and innovation. The brand remains committed to offering thoughtfully crafted collections that cater to the evolving preferences of a wide range of customers.

In quarter 4 FY '26, we witnessed a gradual improvement in consumer demand despite a challenging macroeconomic environment and ongoing global uncertainties. Demand remained healthy, supported by income tax relief measures, improving disposable incomes and increased spending during the wedding and festive season, which contributed to improved business performance during the quarter.

At the same time, elevated input and logistics costs, along with inflationary pressures and evolving geopolitical conditions continue to pose challenges for the industry. Despite these headwinds, Siyaram remains focused on disciplined execution and strengthening its market

presence. Our diversified product portfolio, wide distribution network and prudent business approach continue to provide resilience in a dynamic operating environment.

As part of our retail expansion strategy, we continue to strengthen our presence through calibrated store additions with total store count reaching 44 - 27 in ZECODE and 17 in DEVO. As part of our expansion plans, we intend to reach a total of approximately 70 stores across both ZECODE and DEVO by the end of the coming financial year.

Alongside network growth, the company has been actively investing in brand-building initiatives with increased marketing efforts and localized in-store engagement aimed at enhancing consumer connect and driving footfall. We are also pleased to share that the Board of Directors has approved a special interim dividend of INR 4 per equity share and a final dividend of INR 5 per equity share of face value of INR 2 each.

Taking the total dividend for the financial year 2025 -'26 to INR16 per equity share. This reflects the company's strong financial position as well as our continued commitment towards creating long-term value for shareholders. In addition, we are happy to announce the commencement of construction of residential project of approximately 77,000 square feet at Dombivali scheduled to begin in June '26 with an estimated development time line of approximately 24 months.

This project is a one-off project since we already have a residential land parcel sitting in the company's balance sheet. In the last financial year, company has achieved a new milestone of crossing INR 2,500 crores of revenue, INR 300 crores of PBT and INR 225 crores of PAT.

This performance is in line with the upward revision of growth guidance given in the last financial year. This reflects the strength of our business model, disciplined execution and consistent consumer engagement across markets.

Going forward, we will continue to expand our retail footprint and strengthen brand visibility in a disciplined manner. While investing in growth initiatives and store expansion, our focus remains on driving sustainable growth, improving operational efficiencies and managing healthy margins. Despite ongoing macroeconomic and geopolitical uncertainties, we remain confident in the strength of our business and our long-term growth prospects.

Thank you for your continued trust and support. I would like to now invite our CFO, Mr. Surendra Shetty, to present the financial highlights.

Surendra Shetty:

Thank you, Gaurav ji. Good morning, everyone. Let me take this through our standalone financial performance for the fourth quarter and full year of financial year '26. Our total income for the quarter 4 financial year '26 stood at INR 871 crores compared to INR 750 crores in quarter 4 of financial year '25, reflecting a year-on-year growth of 16.1%.

For the full year financial year '26, total income reached INR 2,653 crores, up from INR 2,296 crores in financial year '25, marking a year-on-year growth of 15.5%. Our revenue mix comprised of fabric at 80%, garments at 15% and others at 5% in the financial year '26. We are pleased to report an EBITDA of INR 152 crores in quarter 4 of financial year '26 compared to INR 125 crores in quarter 4 of financial year '25, a year-on-year growth of 21%.

The EBITDA margin for the quarter stood at 17.4%. For the full year financial year '26, EBITDA was INR 413 crores, up from INR 353 crores in financial year '25, reflecting a 17.1% year-on-year increase with a margin of 15.6%. Profit after tax for the quarter 4 of financial year '26 stood at INR 95 crores, reflecting a strong year-on-year growth of 30.6% with a PAT margin of 10.9%.

For the full year financial year '26, PAT was INR 228 crores compared to INR 199 crores in financial year '25, representing a year-on-year growth of 14.8% with a margin of 8.6%. Thank you.

That concludes my remarks. We can now open the floor for question and answer.

Moderator Thank you very much. First question is from the line of Vishvender Singh from Prudent Equity. Please go ahead.

Vishvender Singh: Yes, hi Congratulations on a good set of numbers. I had a question on the capex side. So can you share the FY '27 capex guidance and store count guidance for both of our entities?

Gaurav Poddar: So, by the end of the year, the capex spend looks something like this. We have about INR 50 crores to INR 60 crores of regular maintenance capex that is an annual feature every year. So that is one. And we expect to be at a total count of 70 stores by the end of this year. So, we are at 44 right now and the additional stores, we would allocate about INR 40 crores or so of capital.

So that would be about INR100 crores of capex. This real estate project that we are talking about is not part of capex, but part of the cash outflow. We estimate a spend of about INR 45-odd crores. So about INR 25 crores will be spent this year and the balance will be probably spent next year. So that's not part of the capex as such.

Vishvender Singh: Okay. Got it. And are you looking to increase the EBITDA margin guidance since a large portion of our stores will see some stabilization this year?

Gaurav Poddar: So, in terms of retail, we are still very new. Very few of the stores have crossed 1 year in March, and we are still in a very nascent stage. So, in terms of store counts, store numbers and store economics, we are still in a pre-nascent stage. But in terms of the overall business, the business is very healthy and performed well last year. We will continue with our guidance of approximately 14% of EBITDA with the 150 basis points of drop due to retail.

But all of this is subject to the global environment at the moment and volatile input prices, which are very dynamic at the moment. So, we would wait for some time for it to stabilize to be able to give a better concrete answer. But for the moment, we are positive for the whole year in terms of our growth, and we expect that a normal EBITDA margin of 14% as we guide constantly, we will attempt to achieve.

Vishvender Singh: Got it. And can you comment on the residential project, like how much revenue are you targeting the completion timeline? And what will be the method to recognize the revenue?

Gaurav Poddar: So, this construction project is a one-off project, first of all. Our business and our company is focused in the textile and fashion industry, and we continue to remain focused in this industry.

This project is a one-off project because we have a residential land parcel already sitting in the company, and it's not a large project, and that is why the company decided to attempt it itself because it's a smaller project, about 77,000 square ft of buildup area.

We estimate to complete this project within 24 months, with an expense of about INR 60 crores in total, including the land cost and the revenue estimation would be around INR 80 crores. All these are a tentative numbers, and this is a smaller size onetime project that we envisage.

- Vishvender Singh:** Okay. And how will you recognize the revenue, sir?
- Surendra Shetty:** No, this is as per our development of the project, that whenever we collect the money from the parties on the sale and completion of the project, we will recognize.
- Vishvender Singh:** Is it fair to assume that it is project completion basis?
- Surendra Shetty:** It will be around 24 months as already said. Within 24 months, we are thinking that it should be completed.
- Vishvender Singh:** No. I was asking that how will you recognize?
- Surendra Shetty:** Yes, as and when we complete as per the certificate we have received, we will recognize the income.
- Vishvender Singh:** Okay. So not a lot of the portion of the revenue will be recognized before the 24 months completion date?
- Surendra Shetty:** Yes, yes, it will take because on the part of the completion, whatever is there to be recognized as per the standard, we will recognize.
- Vishvender Singh:** Got it. And another question on the export part. You mentioned that some macroeconomic headwinds are still there. So, post stabilization, do you expect to increase the share of exports in total revenue? And by how much?
- Gaurav Poddar:** Export right now contributes about 10% of the overall revenue. For this year, it is about 10%. and if you look at last year also, it is about 9%, 10%. So, this has been a stable number over a period of time. So, while export is a promising business, once things stabilize and FTAs and all come into place, it looks an interesting business, but the base is very small.
- And of our domestic business, the base is very large, and that is also growing. And now with retail expansion, all of that is domestic. So, it's difficult to give a percentage in terms of what percentage of contribution it will have for the company. But yes, it is a business that will continue to grow.
- Moderator:** Next question is from the line of Dixit Doshi from Whitestone Financial.
- Dixit Doshi:** So, you mentioned that when you guide, you assume a 1.5% kind of EBITDA margin loss due to the retail operation. Can you provide for FY26, how much was the sale or how much was the loss for this business?

Gaurav Poddar: Yes. So, for FY26, which was the first year that we had a full year of sales, we had estimated a sale of about INR 70 crores to INR 80 crores from this retail business, and we are happy to report that we were able to achieve INR 80 crores of revenue from this retail business. We had indicated a 150-basis point drop in EBITDA due to this, and it was well within that budget, and we were able to do better than our guidance. And so, we are very excited about this business going forward as well.

Dixit Doshi: Okay. So, this year also, there was 1.5% EBITDA drop?

Gaurav Poddar: This is what we are guiding because the business is still very new. Some of the stores which are opened are going to mature and it will take some time to mature. And we will be opening new stores as well. So, there is going to be a drop in EBITDA, but we want to allocate our capital very wisely.

Dixit Doshi: Okay. And can you share some metrics for at least one year old store?

Gaurav Poddar: It is very difficult because very few of our stores have been 1 year. And in ZECODE, particularly when we started, we started opening smaller sized stores of about 4,000-5,000 square feet. And since then, as we have said in the previous calls as well, we have seen better response in the larger sized stores. So now going forward, we are looking at more of 6,000 to 10,000 averages of about 7,000- 8,000 square feet stores depending on availability.

And therefore, it's too early to talk about this. But I'm happy to share that the feedback from the consumer has been very positive in both DEVO and ZECODE. The product has been well appreciated. What we mentioned as a right to win in terms of the knowledge of fabric is being seen through from the feedback of consumers, and that is something that we are really pleased about. And consumer is getting the message that we are trying in terms of the product.

Some of the stores in ZECODE have really performed well even in a very short time. Some of them have seen EBITDA positive results even before a long period of time. So, numbers are very encouraging. The business is very encouraging. And to give more specific numbers, it takes some more time so that there is an established base so that the numbers remain stable, and it's not something that's fluctuating a lot. That is why we need some more time for the business to stabilize.

Dixit Doshi: Okay. And these 26 stores that we are planning this year, that will be all COCO only?

Gaurav Poddar: Yes. So, we'll continue with the strategy of opening company stores for this year. Franchising is an established model, but I believe that once we understand the business model and are able to present a return for an investor only, then we can approach an investor to come in.

Dixit Doshi: Okay. And my second part is related to other income. So, for this financial year, if I see our other income was INR 83 crores, INR 84 crores. Of that, we had a INR 21 crores profit on sale of land. And I think the government grant was around INR 5 crores- INR 6 crores. Was there anything else which was kind of one-off?

Surendra Shetty: No majorly, the other income, I'll tell you in that interest received is one part, around INR 10 crores. For the full year, I'm telling mainly interest around INR 27 crores is the full year interest then we have profit on sale of assets around INR 21 crores. Net market gain on the investment mark-to-market, that is INR 12.73 crores. Then we have capital subsidy received INR 5.31 crores, so these are the major.

Dixit Doshi: Okay. These were the major.

Moderator: Next question is from the line of Dev Gulwani from Care PMS.

Dev Gulwani: Congratulations on a good set of numbers. Why Q4 had less new store addition in ZECODE and DEVO, even guidance of 20 stores and 15 stores for ZECODE and DEVO, respectively, for FY26 was not achieved. What was the reason?

Gaurav Poddar: So, you're right, our original guidance was of about 35 stores. And when we look at guidance, it's an aggressive number, and it's also something that we look at as a potential that we hope to achieve. As I've been mentioning on the calls earlier, this is a new business for us, and we are working with a very lean team. So, we don't have an extended team of where there is a separate business development person and a separate teams doing different things.

We're working on a very lean start-up kind of model where we want to get the business operations right in the beginning. And therefore, business operations have been of a larger focus. Store openings is something that we have to keep doing, particularly in ZECODE because we need volume, and that will continue to happen. One of the main reasons for delays in store openings is because some of the projects that we identified are under construction properties.

So, our scope of work only starts once the development is complete and then we're able to roll it out and churn out the store very quickly. So, most of the delays are related to that. But yes, we have been short of that target, and that is why we are taking a more conservative target this year of about a total of 70 stores, which I'm confident we will achieve.

Dev Gulwani: Right. So sir, 26 new store additions in FY27 are similar to FY26 store additions. So don't you think this is like a low guidance for store addition in FY27? And from when we can expect aggressive store expansion?

Gaurav Poddar: Yes. See, the company, these are all company stores that we are opening. So the only constraint is finding a good location. In terms of capital, the company is producing enough cash flow to open stores. So in that sense, you're right that we are not looking at a very aggressive number in store openings when we have the resources to do that.

But the whole idea is that we want to focus on operations, as I mentioned. And for us, business performance is really critical. We are in the first few years of our retail journey, particularly in ZECODE and DEVO. And I believe that these are the foundational years where the business gets established, the model gets established. And for that, we are not very focused on looking at an aggressive number of store openings.

We want to focus on business operations. Once we have three, four years of stable business, we understand the model, we correct our model because all these mistakes that everyone will make and we will also make, we have to correct them at a smaller scale. Once we are able to prove that model, once we get numbers, which we have been, we've been getting very encouraging feedback. So once we have that model in place, then store expansion is something that is in our control, and we have resources to do that. So I'm not worried too much about store expansion. What we are looking at right now is more of getting stability and operational efficiency.

Dev Gulwani: Can you give the split between the 26 new store addition between ZECODE and DEVO?

Gaurav Poddar: There are approximately 8 stores of DEVO approximately, and the rest of them are ZECODE.

Dev Gulwani: And how many stores have we opened in the first 45 days of this financial year?

Gaurav Poddar: That is an ongoing process. I don't have the exact number with me, but some of the spill over from March have opened in April. We will report the exact number by the end of the quarter. But this is a more annual number. Every quarter, this will not be a number that will happen on a quarterly basis because since you mentioned numbers are smaller, we want to focus on seasonal business.

So like Diwali is a big season, so we want to do a large part of stores before Diwali. So similarly, in the next festive season. So both the businesses have their own seasonality, and we want to focus on catching those seasons.

Dev Gulwani: And why are we not targeting any new geography for ZECODE stores?

Gaurav Poddar: So we will be looking at new geographies soon. So now in ZECODE, for example, in this year, we will expand our geography from Karnataka to a radius around Bangalore. So we will, in this year, look at Chennai and Tamil Nadu as a state we will look at Hyderabad as a city where we can open some stores and also the south of Maharashtra.

Since we have stores in north of Karnataka, we will look at south of Maharashtra as something that we will open. So the basic idea is we want to efficiently use our resources in terms of warehousing and logistics and radius rather than a city-based national approach.

Dev Gulwani: Okay. And sir, the revenue growth guidance for FY27?

Gaurav Poddar: FY27, we look at an approximate guidance of about 12% of revenue growth for this coming year.

Dev Gulwani: And last question, sir, any update on preferential issue? It was expected to conclude by end of FY26?

Surendra Shetty: Till NCLT's final hearing which is already over on 16th of April. They have to pronounce the final order. And the next date for the order has not been mentioned. We expect that by first week of June, when they will pronounce the order and thereafter, we will get the order copies. After that, it will take another three, four months to complete the order spread and issue the RPS.

- Dev Gulwani:** Thank you sir and all the best.
- Moderator:** Thank you. Next question is from the line of Rajiv from Arcade Investments. Please go ahead.
- Rajiv:** Hello thanks for the opportunity. So, I just have two questions. Firstly, so our FY26 revenue growth remained strong despite weak industry demand. So how much of this growth was driven by market share gains versus the channel inventory build-up? If you could throw some light on that?
- Gaurav Poddar:** Look, the major business is the fabric business. And the fabric market is not growing as fast. We have performed much better than the industry. So, there is always going to be a market share gain in terms of the traditional distribution growth that we achieve.
- And I just, the strength of the brand and the connect that we have with our trade has helped us do this. And of course, the seasonal season was also very favourable in terms of the wedding market. So largely, it is a market share gain. Obviously, the market grows a small percentage, but there is obviously a market share gain.
- Rajiv:** Understood, sir. Understood. And so our legacy business is in the back of it. So how is legacy business performing? And could you please speak more about the fabric business and maybe how sustainable are current gross margins into FY25?
- Gaurav Poddar:** So, if you look at the legacy business, this has been a constant growing business. The growth rates tend to remain in the high single-digit to very low double-digit numbers, and that is what we are even projecting for the coming year. The market growth is smaller. But within the market itself, there are still a lot of unbranded players, which there is a lot of potential to take the market share.
- In this year, if you see in terms of margin expectation, while we hope to maintain margins, this year, there is a lot of volatility in input prices. Now as a brand, we are able to pass on prices to the consumer, but that happens in a very gradual manner because we also want to make sure that demand is not disrupted and market share keeps growing.
- So, the pass-on happens in a gradual manner and the pricing remains very volatile. So it's difficult to exactly understand until things stabilize and normalize. But for sure, as if prices go up and if overall consumer prices go up, then branded fabrics and branded business becomes even more advantageous than unbranded.
- So ultimately, the long run looks good. And since this is a cash cow business for the company, we are focused on it and hope and really looking at how we can grow this business and confident of that growth.
- Rajiv:** Understood sir. Thank you that's all from my side. All the best.
- Moderator:** Thank you. Next question is from line of Kush Gangar from Care PMS. Please go ahead.
- Kush Gangar:** Hi sir. I just wanted to ask about our inventory and debtors position, which have increased by 25% this year. Any specific reason for the same?

Gaurav Poddar: I think some of that is accredited to the new stores that we are opening because inventory stands in our books. And rest of it is regular process of, because we are a made-to-stock company, and we expected a good quarter four, and therefore, we are building up inventory for that. So that is why we are able to achieve these numbers.

And it's a regular process of managing the inventories going up and down. If you see the inventory days that the company has ended at March, so due to the increase in sale, it is almost similar. It's about 135 or 138 days, something like this. So we are still in the range of the same number since last year.

Kush Gangar: Right, right. Okay. And can you share average revenue per store for stores, ZECODE stores, which have crossed one-year mark? Can you share those details?

Gaurav Poddar: It's still very early. I would refrain from sharing that at the moment. Also, please note that the first few stores in ZECODE that we opened were smaller-sized stores. So an average revenue per store would be a misleading indicator. And I would really look forward to sharing these numbers once we reached a certain larger number of stores and once some of the stores have stabilized so that we are able to actually gain a better perspective from those numbers. So that is why we are holding back these numbers and giving you broader indications of business.

Kush Gangar: Right, right. And with our retail portion expanding going forward, what kind of ad spend do you see or increase in ad spend do you see going forward?

Gaurav Poddar: So we've been indicating a 4% to 5% contribution of ad spend throughout the year, and we would continue to give that kind of guidance. Retail is a very small business still, and we are doing advertising. But since we've followed a clustered approach, we are able to focus really a lot on the customer and creating footfall and focus our spends on a certain area. So we've been able to do that more efficiently.

Kush Gangar: Okay. Okay. And in the coming year, with cotton prices, et cetera, expected to go up, do you see our growth being faster due to higher realization? And also, you mentioned that when prices are higher, branded players are expected to benefit more. So should we see faster growth in fabric business in coming years?

Gaurav Poddar: Yes. Look, when I talked about branded players getting a benefit, that is a fact, but that is a longer-term play. And that is bound to happen when prices, when the gap reduces between unbranded and branded. Now in terms of this year, when raw material prices increase, of course, as value increases, then there is a direct impact on the top line.

But that depends a lot on how much we can pass on to the consumer and how much interval because as a brand, you have to be quite stable. I mean, at a raw material price, it fluctuates up and down very dynamically. Same dynamics cannot be passed on to the consumer at that speed. So that is a more gradual system where prices are passed on to the consumer. And it's too early to comment on that question because things are very dynamic at the moment.

Kush Gangar: Right. Got it thank you.

- Moderator:** Thank you. Next question is from the line of Sohani Singh from Sejal Capital. Please go ahead.
- Sohani Singh:** Good afternoon sir. I wanted to ask if the consumer demand has improved after the wedding season and GST rationalization? Or is this demand still largely event driven?
- Gaurav Poddar:** Thank you for your question. See, the business that we are in is a seasonal business, which is driven by weddings and festivals. So it follows that season. Now in the last quarter, there were a large number of weddings and that wedding season kicked off really well. And therefore, we were able to take advantage of that demand that was inherently present and all the other factors associated with it like GST and other things.
- Now this first quarter generally is the weakest quarter for the company. And over and on top of that, there is all these geopolitical issues and raw material issues, heat wave and so many other things that are impacting. But we don't look at the business as a quarterly business. We look at the guidance and the business as an overall annual business since it follows seasonality. And we are really hopeful that our guidance will be met by the end of the year.
- Sohani Singh:** Okay, sir. Understood. I wanted to understand at what scale of revenue or store count do you expect the retail business to become consolidated EBITDA positive?
- Gaurav Poddar:** I don't think we're looking at a store count number for that. That is our focus and endeavour every day. As I mentioned, some of the stores in ZECODE have already started showing EBITDA positive numbers. So I mean, that is, we are very early in our early days, and we are not looking at reaching a certain store count before being EBITDA positive. That is something that at least store level wise.
- Of course, the overheads and all get divided with the number of stores that open. So that's a separate issue. At store level wise, it's an ongoing attempt to keep how we can operationally make stores more efficient and get to profitability faster so that we can start an aggressive opening expansion.
- Sohani Singh:** Okay. Understood, sir. One last question. So coming to ZECODE and DEVO, can you please help us know that how is the repeat purchase trends and customer retention is shaping up?
- Gaurav Poddar:** So it's been very good. In fact, DEVO is a more premium branded kind of a play where it takes a longer time for the consumer to understand the brand and commit to that brand. And we've been very happy that consumer has given very good feedback in terms of the product, the collection that is available at store. Even at such a small scale, we've been able to create an impact into what kind of range that he gets.
- So the consumer feels that there is a lot of newness in the product that DEVO has to offer in terms of competition. And that is something that is really encouraging for us and repeat purchases and referral purchases have been very strong, and that is something very encouraging for us.
- Sohani Singh:** Okay sir thank you very much that's all from my side.

- Moderator:** Thank you. Next follow-up question is from the line of Vishvender Singh from Prudent Equity. Please go ahead.
- Vishvender Singh:** Hi sir. Just wanted to comment on your debt part. So what sort of peak debt are you looking to end with this year, considering the issuance of the preference shares and the expansion, store expansion?
- Gaurav Poddar:** So right now, the net debt is about INR40-odd crores. And this is something, so the cash flow for the year should suffice the expansion plan that we have, the capex plan that we have in place. The RPS issuance this year will not affect the cash flows at all because shares will be issued and there will be no other impact in this year. So I feel that internal accruals should be sufficient to take care of our capex and other expenses.
- Vishvender Singh:** Got it. And just on the inventory side. So I see a little bit jump on the inventory as a percentage of revenue. So are we looking something of a purchase delay from the customer side in our retail stores?
- Gaurav Poddar:** No. As we open more stores, these stores are all company-owned stores. We have about INR 60 lakhs to INR 70 lakhs of inventory per store. So as we increase these number of stores, this inventory sits in our books, even though it's in the store. So that addition of inventory does happen in every store. Now some of these stores have seen two months, five months, six months of sale. So the inventory against sale will not justify the numbers. But these are all very early days, as I mentioned. So that is one of the reasons for increase in inventory.
- Vishvender Singh:** Got it. Just last question on the grant side. So are we looking ahead for similar kind of pay-out to us in terms of grants and subsidies?
- Gaurav Poddar:** I think most of the grants in terms of government grants are completed. About INR 5 crores to INR 6 crores odd is pending now. So most of the subsidies that we were supposed to receive in grants have been completed.
- Vishvender Singh:** Got it that will be all. Thank you sir.
- Moderator:** Thank you. Next question is from the line of Soumya Raghuwanshi from Nirvana Capital. Please go ahead.
- Soumya Raghuwanshi:** Good afternoon sir, my question was on Fast Fashion. It is a highly competitive segment with players like Zudio, Westside, Reliance Trends and there are a few international brands. What gives Siyaram confidence that ZECODE can scale up further?
- Gaurav Poddar:** So Fast Fashion is a very interesting space, and we've been in this space now for about 12 to 15 months and have been really enjoying the space. So one thing I would like to tell you about Fast Fashion is that within the apparel business, this is the fastest-growing part of the business in terms of the industry. So Fast Fashion is really growing very quickly, particularly on the value side.

Now when you look at the size of the market and the opportunity it presents, it is very huge. So even the larger players are a very small percentage of the market. So that is one that the market is so huge and the opportunity is so huge. But I think that the bigger advantage or the right to win when you ask us that what do we feel, why should we be in this business is we believe that we are a business that comes from the textile industry.

We understand the raw material, the fabrics, the prices, how designing is driven and controlled, how product is made. And that I feel is the most essential part of this business, how to control product at a reasonable price. Obviously, these things happen at volume, but this is something that we believe is our core strength, which is the product. And so far, it's been a very early journey.

But in this journey, we've been receiving that kind of feedback where product is differentiated, the quality is being appreciated, the pricing is being appreciated. So all in all, what we attempted to do is something that we are seeing the feedback and that encourages us to grow further and shows us a huge opportunity ahead.

Soumya Raghuwanshi: Okay, sir. Understood. Now sir, could you specify the growth breakup in the fabric segment in terms of value growth versus volume growth?

Gaurav Poddar: So it's about similar. So in the fabric business, the volume is about 10% growth, value is about 11% odd. So in garment without this new retail business is about 9% volume and about 8% value. So growth has been similar in terms of volume and value.

Soumya Raghuwanshi: Okay sir got it. That's it from my side.

Moderator: Thank you. Next question is from the line of Santosh Shetty from LGC Capital. Please go ahead.

Santosh Shetty: Good afternoon sir. So I just wanted to know about the announcement made by the company regarding a residential project in Dombiwali. So what is the strategic rationale behind entering this project? And what returns does the management expect from it?

Gaurav Poddar: That's a good question. Thank you. So first of all, the company is focused on a textile and fashion business. So at the moment, this real estate and residential is something that is outside the strength of the company. And this is a particular project we envisaged and took up because the residential land is already available with the company. And it is a small parcel of land with limited size of construction.

Now when we looked at how to monetize this land, the best opportunity in terms of monetizing it was in terms of developing it ourselves because the size of the project is very small. And therefore, we took on this endeavour to complete this project. It is a one-off project. We don't intend to be in the real estate business. This is a project that would take about 24 months.

The outlay for this, the land is already owned by the company. So there's a further about INR 45 crores of outlay that will be entailed and approximately an INR 80 crores kind of revenue potential that over a period of 2 years, we'll be able to garner from this.

- Santosh Shetty:** That helps thank you so much.
- Moderator:** Thank you. Next question is from the line of Varun Mishra from Bawa Investments. Please go ahead.
- Varun Mishra:** Hi sir. Just a question, can you share the export grew materially in the current quarter, around 10% like it was the contribution. So what would we see in the next 3 to 5 years given the global sourcing shift towards India?
- Gaurav Poddar:** So as I mentioned earlier, it's difficult to look at it as a percentage of contribution to the company in terms of export versus domestic because our domestic business also is growing and our retail expansion, which is happening at a much faster pace than the overall company growth is also going to be all domestic driven. So rather than looking like that, I would look at an export growth independently, which we look at the same kind of percentages for now in terms of the overall growth.
- Varun Mishra:** All right, sir. And the recent deal which we signed with New Zealand in terms of the FTA, do you see that helping us in the future?
- Gaurav Poddar:** So FTAs and all these treaties that the government signed is always going to help export business. Once these come into play, we have to understand the requirements and pricing and India will become more competitive as a manufacturing nation. So definitely, it is going to help the country as a whole.
- Varun Mishra:** Alright sir great that helps a lot sir. And all the best.
- Moderator:** Thank you. Next question is from the line of Rangan, an Analyst. Please go ahead.
- Rangan:** Very good set of numbers you have given, no doubt about it. But I find some products which have being advertised are really not available in the market. Please ensure that before advertisement, all these products are available once I come to Mr. Surendra Shetty and discussed with him in Chennai. And regarding the cash flow, I find there is only INR 93 crores, whereas your net profit is INR 228 crores, what are the reasons.
- Then the 77, 180 square feet of land is a built-up area with average of 10,000 it will come only INR 80 crores maximum realization will be about INR 20 crores or something like that over a period of two years. Am I right like that? In land parcel with that will be finishing that?
- Gaurav Poddar:** Yes. For the first part of your question of availability, we'll contact you separately and understand what you're trying to say and work on it as per your suggestion. Now in terms of the land parcel, this is about 77,000 of built-up area. And I think the sellable area, the carpet area is going to be lesser. So the revenue potential is estimated at INR 80 crores.
- We have to really work out and see what this number actually is, but we estimate it to be at about INR 80 crores. And therefore, there is a gain of about INR 20 crores, which will be not in three years, but in two years. So 24 months is an outer limit of how we perceive this construction to be. And this is an ideal land at the moment for the company.

So this is what the company felt is the best way to monetize this land and generate profit out of it. In terms of cash flow, there has been an operating net cash flow of about INR 150-odd crores. And the large part of the cash flow this time has gone into inventory and debtors, which is something that at a period of time that comes in, March was a very good quarter, and therefore, debtors carry forward into the next month. And as I mentioned earlier, there is this retail expansion, which increases inventory to a certain extent because the inventory stands on the books of the company.

Moderator: Thank you. Ladies and gentlemen, due to time constraints, we'll take that as the last question. I now hand the conference over to Mrs. Mamta Nehra for closing comments.

Mamta Nehra: Thank you. I would like to thank the management for taking the time out for this conference call today and also thank all the participants. If you have any queries, please feel free to contact us. We are MUFG Intime India Private Limited, Investor Relations Advisors to Siyaram Silk Mills Limited. Thank you. Thank you so much.

Moderator: Thank you very much. On behalf of MUFG Intime India Private Limited and Siyaram Silk Mills Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.