Siyaram's
SIYARAM SILK MILLS LIMITED

Date: 05th August, 2026

To,

| BSE Limited,<br>Phiroze Jijibhoy Tower,<br>Dalal Street,<br>Mumbai<br><br>**Scrip Code: 503811** | National Stock Exchange of India Ltd.<br>Exchange Plaza, 5th Floor,<br>Plot No. C/1, G Block,<br>Bandra Kurla Complex,<br>Bandra (East), Mumbai – 400 051<br>**Company Symbol: SIYSIL** |
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**Sub: Transcript of Analyst / Investor Meet held on 31st July, 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 31st July, 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 Samayalal Thakur

Digitally signed by Mahipal Samayalal Thakur
Date: 2026.08.05 18:58:48 +05'30'

**Mahipal Thakur**
**Company Secretary & Compliance Officer**

Encl: a/a.

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"Siyaram Silk Mills Limited

Q1 FY27 Earnings Conference Call"

July 31, 2026

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| **MANAGEMENT:** | **MR. GAURAV PODDAR – PRESIDENT AND EXECUTIVE DIRECTOR – SIYARAM SILK MILLS LIMITED**<br>**MR. ASHOK JALAN – SENIOR PRESIDENT AND DIRECTOR – SIYARAM SILK MILLS LIMITED**<br>**MR. SURENDRA SHETTY – CHIEF FINANCIAL OFFICER – SIYARAM SILK MILLS LIMITED**<br>**MR. DINESH JAITHLIYA – VICE PRESIDENT, FINANCE – SIYARAM SILK MILLS LIMITED** |
| **MODERATOR:** | **MS. DEVANSHI DADHICH – MUFG** |

**Moderator:** Ladies and gentlemen, good day, and welcome to the Siyaram Silk Mills Limited Q1 FY27 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. Devanshi. Thank you, and over to you.

**Devanshi Dadhich:** Thank you, Ananya. Good morning, ladies and gentlemen. I welcome you to the Q1 FY27 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:** Good afternoon, everyone, and thank you for joining us today for Siyaram Silk Mills Limited's Q1 FY27 Earnings Conference Call. As we begin a new financial year, we are pleased to connect with our shareholders, investors, analysts and stakeholders to discuss the company's performance and key developments during the quarter. Our financial results and investor presentation have been made available on the stock exchanges and on the company's website for your reference.

Over the years, Siyaram Silk Mills Limited has established itself as one of India's most trusted names in premium fabrics, apparel and textile products. While remaining deeply rooted in its rich fabric heritage, the company is embracing a new phase of growth through Siyaram 2.0 marked by sharper design thinking, contemporary merchandising and a retail-first approach.

This transformation is being driven by ZECODE and DEVO, 2 retail brands designed to cater to the evolving aspirations of today's consumers. Through these brands, Siyaram is strengthening its direct connect with customers by offering modern fashion, enhanced shopping experiences and greater accessibility.

Building on our long-term retail strategy, we continue to expand our presence across key markets through ZECODE and DEVO brands. During the quarter, we added 3 ZECODE stores and 2 DEVO stores, taking the total store count to 30 and 19, respectively. We plan to reach approximately total 70 stores across both brands in FY27. All this expansion is funded through internal accruals.

Coming to the overall industry, the demand environment remained stable during the quarter, although wedding and occasion-led consumption witnessed some moderation due to the Adhik

Maas period, which traditionally leads to the postponement of discretionary purchases. Consumer spending also remained value conscious, while inflationary pressures on the input costs persisted during the quarter, influencing purchasing decisions across segments.

Against this backdrop, Siyaram remains focused on driving growth through our strong brands, diversified product portfolio and extensive distribution network. We are putting consistent efforts to strengthen our market presence, expand customer reach and enhance execution across channels, enabling us to make steady progress across our businesses during the quarter.

As we progress through FY27, our efforts remain focused on deepening consumer relationships, enhancing brand visibility and driving operational excellence across the organization. Along with the continued expansion of our ZECODE and DEVO network, we are working across the value chain to ensure greater efficiency and scalability.

With our expansion plans, we are also intensifying our marketing efforts to strengthen brand visibility and deepening consumer engagement. We began FY27 on a positive note with total income increased to INR466 crores in Q1 FY27 from INR400 crores in the corresponding quarter of the previous year, representing a growth of 16.4%.

This performance demonstrates the resilience of our business supported by operational discipline, customer-centric initiatives and sustained momentum across our operations. As a significant corporate development during the quarter, the scheme for issuing cumulative nonconvertible redeemable preference shares by way of bonus to the equity shareholders of the company has been approved by the NCLT, Mumbai vide its order 21st July 2026.

The Board of Directors at its meeting held on 30th July 2026, took note of the NCLT order and made the scheme effective from 30th July 2026. The company has also fixed 22nd August 2026 as the record date for determining the eligible shareholders entitled to receive these redeemable preference shares under the scheme. As we move forward, we remain committed to executing our strategy with discipline and agility while creating long-term value for our stakeholders.

With that, I would now like to invite our CFO, Mr. Surendra Shetty, to take you through the financial highlights for the quarter. Thank you.

**Surendra Shetty:** Thank you, Gaurav ji. Good afternoon, everyone. Let me now take you through our standalone financial performance for the first quarter of FY27. Our total income for Q1 FY27 stood at INR466 crores as compared to INR400 crores in the Q1 FY26, reflecting a year-on-year growth of 16.4%. Our revenue mix for the quarter comprised Fabrics at 71%, Garments 19% and Yarn & Others at 10%.

We are pleased to report an EBITDA of INR40 crores for the quarter compared to INR33 crores in the corresponding period of last year, registering year-on-year growth of 22.3%. EBITDA margin for the quarter stood at 8.6%.

Profit after tax for the Q1 FY27 stood at INR11 crores as against INR5 crores in the quarter 1 of financial year '26 representing a year-on-year growth of 144.4%. The growth is largely due to operating leverage playing out. PAT margin for the quarter stood at 2.4%. Our debt-to-equity as on 30th June '26 stood at 0.24.

With that, I conclude my remarks and would now request the moderator to open the floor for the question and answer. Thank you.

**Moderator:** Thank you very much. We will now begin with the question-and-answer session. The first question is from the line of Yash Sedani from Entigrity Ventures.

**Yash Sedani:** Just a question on ZECODE specifically first. How are you looking at the profitability and basically breakeven on the stores? And how are the competitive environment considering the other brands opening in similar kind of setup stores in retail.

**Gaurav Poddar:** Thank you for your question. With regards to ZECODE, see, we are still about 18 months into business and stores are still not mature as yet. And we've indicated about 1.5 to 2 years for store profitability. For some of the stores that we've opened, we have seen very positive results, and I've indicated earlier that some stores have turned EBITDA positive, but it's too early to come to those conclusions. We are very positive on this business.

In terms of the competition, this fast fashion market is a very large market and is growing much faster than the overall apparel market. There are many players, and each one has a different strategy. We believe that we have a unique USP that we bring to the consumer, which we are very confident that will help us grow our business. It's still a very small business, but it's something that we are looking at very seriously for the long-term and looking at it as a good future for the company.

**Yash Sedani:** Second question would be around basically how the company is moving in terms of long-term maybe 3, 5 years in capital allocation strategy, like most of the capital after paying dividends and NCD, is company going to invest those amount in ZECODE and DEVO mainly?

**Gaurav Poddar:** Yes. Over the last few years, if you have noticed, then the company has been very prudent in terms of managing the free cash flows that it has received. There has been positive free cash flow received in the last few years, and we continue to expect that to happen in this year as well. The capital expenditure that we had envisaged for this year, as indicated earlier, was close to about INR100 crores with about INR40 crores to INR50 crores going into the retail project.

This is largely because the retail project is in an initial phase where we are doing multiple things at the same time, which is building the foundation blocks and getting operational efficiency as well as increasing store network.

As we go forward, obviously, this capital is there for us, but we will want to use it more prudently and look at store expansion rapidly only after there is some stability in the business in terms of predictability and also having some mature stores to have proven a robust business model.

**Yash Sedani:** Okay. Got it. And when can we start coming to disclose the numbers of ZECODE and DEVO specifically from main business?

**Gaurav Poddar:** I think that this retail business is a business for the long-term, and it takes a lot of time to mature. I think that a fast fashion business is all about volumes, and we are running at about 25 to 30 stores as on June. These numbers are still very small to be able to talk about anything and hardly a few stores have run over a year. So the sample size also is very small.

For any retail business, particularly in the fast fashion business, you need about at least about 100- 125 stores running for at least over a year to be able to make any sense out of these numbers. That is why we are holding back on disclosing these numbers, although we internally study these and try to derive conclusions from them and take actions accordingly.

**Moderator:** The next question is from the line of Dixit Doshi from Whitestone Financial Advisors Private Limited.

**Dixit Doshi:** If you can mention that in terms of our EBITDA, how much loss both this retail put together would be having? And also, if you can elaborate more in terms of ZECODE and DEVO both, how is the performance and those stores were at least 1 year old, whether they are consistently hitting the EBITDA positive or like they are one month, they are hitting, one month they are not hitting the EBITDA positive? I know you don't share the exact details, but any broad picture will help us.

Once we feel that the model is right, let's say, this year, we are opening 25 stores, let's say, by the end of this year, so many of the stores will be 1.5, 2-year old. So, if you plan for any aggressive expansion, will you be looking for franchise model next year?

**Gaurav Poddar:** The first question you asked was about the EBITDA loss. We have already given an indication of an annual drop in EBITDA by about 150 basis points. We hope to be well within that budget. We don't look at it on a quarterly basis because the rest of the business, the core business is very seasonal, and therefore, the numbers vary a lot. But on an annual basis, 150 basis point drop in EBITDA is what we had indicated, and we feel confident to be well within that range.

In terms of the performance of retail, performance has been very encouraging. In terms of DEVO, DEVO is an ethnic wear model, which is a very, very seasonal business. It's a wedding-related, festive-related business. For that, we have to wait for the festive season to start to really assess the kind of performance, that business will have. So it's very skewed in terms of that.

Whereas for ZECODE, it's more non-planned purchase where fast fashion and value pricing, these kind of things are less seasonal driven. That is why we've seen a faster response in terms of the ZECODE stores because of the business model. Both businesses have very different consumers and different behaviors of consumers.

There have been only a few stores that have been old in terms of ZECODE, there have been only about 10, 12 stores, and that sample size is too short. But in both businesses, when you look at the first quarter, there has been growth in terms of store-to-store performance, stores are not yet mature to be able to give anything out.

When you talk about EBITDA positive stores, there are some stores in ZECODE that are EBITDA positive and they continue to be positive. It's not just stores that are 1 year old, some stores that are new and we've been able to get the model right. We've seen some experiences where even stores that are less than 1 year old are EBITDA positive. So it's not a function of being 1 year old. It's just a function of the whole model coming together and us learning from this experience and moving forward.

But all of these things are very early, and I would look at the business only after a certain sense of maturity to be able to give a broad-based number. At the moment, we can talk about macro things.

**Dixit Doshi:** Okay. And in terms of franchisee?

**Gaurav Poddar:** Yes. In terms of franchisees, see, this franchise business model is an established model in both these businesses, whether it is fast fashion or whether it is ethnic wear. We have not considered that as of now. Obviously, that's an opportunity available to us. At the moment, we are looking at the operational efficiency and using our own internal capital to build these stores.

We have sufficient capital internally. Then franchisee is always an option once everything is set up and there is a return that the company makes and then there is a possible return to give to the investor that comes on as a franchisee.

**Dixit Doshi:** Okay. And just a couple of clarification. One, you mentioned 150 basis point EBITDA loss on an annualized basis. This is without the rent, right? Because rent we book in depreciation and interest or you are saying that this is including that?

**Gaurav Poddar:** No, including everything, all store operations.

**Dixit Doshi:** Including rent, you are saying 1.5...

**Gaurav Poddar:** You have to report the numbers the way you are saying, but in our internal calculation, we are assuming everything.

**Dixit Doshi:** Okay. Yes. So this 1.5% is assuming all the cost?

**Gaurav Poddar:** This is a ballpark number 150 basis points.

**Dixit Doshi:** Yes, ballpark. Yes. And last question is, this quarter, we have almost INR22 crores of other income. So was there any one-off or it's mostly interest income?

**Surendra Shetty:** Most of the other income is normal business income, like the delay payment of interest, rent income, etc. Every year, we are getting.

**Gaurav Poddar:** There is some percent of mark-to-market gain from the investments that we have realized which is something that would vary quarter-on-quarter.

**Dixit Doshi:** Okay.

**Gaurav Poddar:** It is about 30% of the other income.

**Moderator:** The next question is from the line of Naitik from NV Alpha.

**Naitik:** Sir, my first question is, if you could give us some sense on the revenue that we have generated in the quarter from the retail stores and what sort of expectation we have for the full year? A rough number would also help?

**Gaurav Poddar:** From the retail business, in this quarter, we've generated about close to INR30 crores of revenue. As indicated earlier as well, the full year expectation is about INR160 crores.

**Naitik:** INR160 crores. So almost doubling from the last year's INR70 crores, INR80 crores that we had. Got it. And sir, my second question is, if I look at our P&L for this quarter, if I exclude the INR24 crores, INR25-odd crores that we spent on developing the land, the margin seem to be much better from the core operations that we have around 9% to 10%. So just wanted to understand what has led to this expansion in margin Y-o-Y?

**Gaurav Poddar:** I think EBITDA numbers are quite stable. If you look at the land expense, and that is just an entry that has been passed from moving into inventory to expenses. At the margin level, it remains the same. In terms of overall gross margins and even EBITDA margins, it's quite standard. But at the same time, I would like to highlight that this is a quarter you should not look at or model the business based on 1 quarter. It's a seasonal business, and therefore, we prefer talking of an overall annual basis.

**Naitik:** Sorry, sir, just one clarification. So this development of property charge is not an actual expense that you have spent or is it just an accounting entry?

**Surendra Shetty:** This is the land development charges, which as per the standard, we'll have to route it through the profit and loss account. So it is included in the other income and the same manner, it was included in the inventory also. The net effect is nil. So any land development whenever we are taking into revenue, at that time, we will take it whenever the inventories are.We'll have to take the certificates from the various agencies, then only we'll recognize as a revenue impact. Until then, it will be other expenses and it will be in the inventory. But the net effect is nil.

**Naitik:** Got it. And sir, from when do we expect the project to start some revenue?

**Gaurav Poddar:** We have already received the required approvals and completed part of the tendering process. In this quarter, we expect to start construction, and we expect 24 months for this project to be completed.

**Moderator:** The next question is from the line of Nakul Doshi from Sankla Family Office.

**Nakul Doshi:** I had a couple of questions. Firstly, since the beginning of Q2, have you observed any meaningful changes in consumer spending pattern across the premium and the value segments? Like specifically, are we seeing any divergence in demand trends or any particular signs across key categories and the markets?

**Gaurav Poddar:** As you know that the business is very seasonal and driven by Diwali festivities and wedding seasons. This year, Diwali is pushed by, I think, 3 weeks or so. So we expect that delay in terms of demand. But overall, since ours is a channel-driven business, we interact a lot with our distributors. We have conferences and events that we keep doing, and we are in the midst of all of this right now.

The sentiment towards how the season will go is very positive. Overall, everyone is very hopeful that this year also goes as planned. We are very positive on reaching the guidance that we had indicated. But again, looking at it month by month is not the most accurate way of looking at it.

**Nakul Doshi:** Right. Any particular pattern which you would have observed like the premium could grow much faster than the value segment? Anything on that?

**Gaurav Poddar:** It's a mix really because we offer all kinds of products. First of all, there is suiting and shirting, which have different value realizations completely. Then within those categories, we have premium to mass, all kinds of products. The reason we have so many brands and so many subcategories is to have the network that we can expand. It's a positive scenario on all aspects, and then we have to see how the market responds.

That is why being an asset-light company helps us to manoeuvre very quickly to wherever the demand is and whatever category we find that we don't plan too far ahead in terms of inventory. We are rotating inventory model. Wherever we feel there is further demand, we can plan more. So in that sense, we are quite agile.

**Nakul Doshi:** Got it. Secondly was like on our retail network expansion network, like as we continue to invest in our retail network, in terms of balancing the growth investments and also maintaining our return ratios as well as the shareholder payout commitments, what are the key thresholds or the return hurdles that guide your capital allocation over here? Like you already mentioned that we are on an asset-light model. But any particular ratios or thresholds you would like to highlight?

**Gaurav Poddar:** The company is in the phase of a mature business, which is the core business and generating positive cash flows consistently. More cash flow than that is being invested in the company in terms of capex. Even after rewarding shareholders and all of those things, there is still investments that are being increased every year on the balance sheet.

Going forward, again, this retail expansion is something that we are looking at not from a speed point of view, but more from a business and long-term perspective, where we are building the foundation blocks and expanding at the same time.

The speed of expansion maybe can increase once the building blocks are built. So investments of funds that are accrued is not so much of a concern at the moment because it is very prudently discussed. As we mentioned earlier, the capex for the year is about INR100 crores and even after that and the other dividends and other things, there will still be a positive surplus of cash flow that the company will have in the end of the year.

**Moderator:** The next question is from the line of Ravi Dubey from RD Investments.

**Ravi Dubey:** Congratulations to the management for strong quarter 1 performance. Sir, my question is that our input cost inflation has remained elevated during the quarter. So sir, in that context, how do you expect our raw material cost to trend through rest of the FY27? And sir, could you also guide us on the possible impact on our margins?

**Gaurav Poddar:** In the last few months, maybe 1 or 2 quarters, we've seen a lot of volatility in the global scenario, which has affected all kinds of raw materials, whether it is direct raw material or even chemicals and other things. That has had an impact across different industries and also in the textile industry and also our company.

We've been able to manage with older raw materials and new materials and being able to balance that. As a brand, of course, we have the leverage of passing on some of these cost increases to customers, although we cannot follow the same pattern as raw material increase because that remains very volatile and that kind of price pass-on cannot happen.

That pass-on happens on a gradual scale. Some pass on was done in the first quarter. If raw materials remain high and margins start getting shrunk, then some might continue to be passed on, which is the general standard that we follow. I believe that in terms of the EBITDA guidance of about 14% that we give, we feel confident that we will remain with that kind of guidance and apart from the drop of the retail business.

**Moderator:** The next question is from the line of Yash Sedani from Entigrity Ventures. It's a follow-up question.

**Yash Sedani:** Just one follow-up question on working capital basically in March, we have accumulated few inventory because various reasons and…

**Moderator:** I'm sorry to interrupt. Mr. Yash, your voice is not very clear. Could you please readjust your handset or mic whatever you're using?

**Yash Sedani:** Sure. Is it audible?

**Moderator:** Yes. Please go ahead.

**Yash Sedani:** Just a follow-up question on trade receivables and the inventory levels. I think in March, you accumulated both to certain levels, which affected the overall cash flow. How the trend has been in this 3, 4 months?

**Gaurav Poddar:** I think that working capital, if you look at it, the oncoming season is something that we have to be ready for because we are going to welcome the festive season in the second quarter and carry forward to the wedding and other seasons in the third quarter. This is the time we build inventory and we start planning for the season.

Therefore, looking at this number now is not a good indicator of where the business is. It's better to look at March to March numbers. If you look at the March number, then in the number of days, similar to that as per last year.

Of course, because of the increase of retail business, there is an additional inventory that we have to put out that adds on to the balance sheet, and that will continue as we increase stores because these are all on the books of the company. But in the core business, we feel confident to be within those numbers.

**Yash Sedani:** Okay. And in terms of full-year guidance, reiterate on the volume growth or revenue growth on main business plus retail business?

**Gaurav Poddar:** We have given a guidance earlier in the last quarter of about approximately 12% revenue growth with a 14% kind of EBITDA margin with a drop of 150-odd basis points of the retail business.

**Moderator:** The next question is from the line of Rajiv Jain from Archean Investments.

**Rajiv Jain:** Congratulations for encouraging set of results. I just have one question, and it's on new store locations. What factors determine your choice of new store location? And additionally, have these criteria evolved based on your initial experiences, if you could shed some light on that?

**Gaurav Poddar:** Yes. When we started the business, of course, we started on a cluster-based approach. We had to select one particular cluster. For ZECODE, we chose Karnataka and Bangalore as a hub for that because the reason for that was Bangalore itself was a big market for Gen Z consumers. It has IT community.

It has student community. So it fits well within the product that we are trying to build. Now within Bangalore itself or Karnataka itself, when we look at stores and locations, then you try to find stores which are in the market with where footfall is already present since we are a new brand, we don't expect consumers to come looking out for us, but we need to build that brand visibility.

There's a lot of research done on how we choose a store location. We also use AI available tools to help us understand what the market scenario is at that micro market and then look at stores like that. Also, malls are a good opportunity where there is already a generated footfall and then you have to be able to convert that footfall. So it's a mix of different things.

In terms of evolution, one thing that we realized was when we started, we started with the smaller format stores of approximately 4,000 square feet on high street. We gradually moved that to larger format stores.

Now we have an average size of approximately 7,000 square feet. We've seen better results in these larger stores because the product portfolio that we cater to now is better displayed in the larger format stores and also the consumer experience that we are able to offer is far greater. So that is something that we've evolved and seen positive results.

**Moderator:** The next question is from the line of Raj Patel from RK Investments.

**Raj Patel:** Congratulations for the good set of numbers. I just wanted to ask with regards to the festival and wedding season. How do we expect this season will contribute our growth in second half of FY27 especially after the impact of Adhik Maas in Q1?

**Gaurav Poddar:** We don't look at on a quarterly basis, but instead look at an annual basis. The earlier guidance of about 12% on an annual basis is something that we feel confident of achieving. The festivities and wedding periods continuously move every year. This year, Adhik Maas was there, but every year, there is some kind of movement, wedding dates differ. So it's difficult to map it on that basis on a particular aspect. But we look at it from an overall perspective, and we are confident of achieving the guidance we had indicated.

**Raj Patel:** Got it, sir. My next question was with regards to ZECODE and DEVO. What kind of revenue contribution do we expect from this in FY27? And what will be the meaningful profitability out of this?

**Gaurav Poddar:** As indicated earlier, the revenue expectation from the retail business, we did about INR80 crores last year, and we hope to close this year around INR160 crores. We've already indicated 150-odd basis point drop in EBITDA because of this retail business.

**Moderator:** The next question is from the line of Ridhi Vohra from SAS Capital.

**Ridhi Vohra:** Sir, the question is the company has adopted a major expansion strategy so far. What milestone or execution metric would prompt you to increase the pace of store addition and growth?

**Gaurav Poddar:** I think we are not looking at it as a number. I think that there is an improvement that will happen every day. There is something that we're looking at on a more softer basis. Actually, we are waiting for some stores to be mature enough to be able to assess. As indicated earlier, some ZECODE stores have performed better than our expectation.

Overall, we are still increasing store counts based on the basic volumes that we need to bring in. Fast fashion is a format where you need large volumes. We are working on building the infrastructure for the business, whether it is technology or hard infrastructure. We're building the building blocks based on operational efficiency. We're doing multiple things at the same time. Once we feel confident that we have evolved to a certain scale, then we will start store expansions at a greater scale.

**Moderator:** The next question is from the line of Yash Sedani, Entigrity Ventures.

**Yash Sedani:** Sir, just a clarification on cost towards development of property. In total INR24.6 crores included in P&L part of cost towards development of property. How much is booked in revenue from operations?

**Gaurav Poddar:** At the moment, there is no revenue booked. There is no sale that has happened on account of residential projects. So there is no revenue booked so far.

**Yash Sedani:** Okay. To have the understanding on margins on the main business, can we exclude this INR24.6 crores and see the margins, which would be right to say?

**Gaurav Poddar:** No. Basically, how you need to see is INR24 crores is the expense that has happened on the real estate project so far. That, the entry that has passed on the P&L is that it has been removed from the inventory. The gross margin has increased to that extent. Then we have reduced it from expense. The EBITDA and other margins are the same. You don't need to do anything to assess the business margin.

**Yash Sedani:** Similar adjustment that we made in inventory, which is reflected in changes in inventory and hence the reflected.

**Gaurav Poddar:** Correct. There is a net effect of not impacting anything.

**Moderator:** The next question is from the line of Dixit Doshi from Whitestone Financial Advisors Private Limited.

**Dixit Doshi:** Yes, a couple of things. Firstly, in terms of this guidance, what we are giving 12% kind of revenue growth and 14% margin, this is including the retail business, right?

**Gaurav Poddar:** That's right.

**Dixit Doshi:** Okay. And just one thing on this preference shares, which we are going to issue. So if you can just help me understand that like how it will be treated in terms of taxation to the investors?

**Surendra Shetty:** I think there is a full tax in the hands of the investor.

**Dixit Doshi:** Okay. So it will be like a capital gain or it will be kind of...

**Surendra Shetty:** Any other like dividend income.

**Dixit Doshi:** It will be like dividend income whenever we sell…

**Surendra Shetty:** But you will get it at the time of redemption. Whatever the amount you will be getting in the redemption, that will be treated as like a dividend income.

**Dixit Doshi:** Okay. And I think these are going to get listed. So in case I sell before the redemption, then it will be like capital gain?

**Surendra Shetty:** Yes, that you'll have to look into.

**Moderator:** Thank you. That was the last question for today. I now hand the conference over to the management for closing remarks.

**Gaurav Poddar:** I would like to thank you all for taking the interest and asking the questions that are so relevant to us. Please reach out to our IR agency in case you have any further questions. Thank you and looking forward to seeing you in the next quarter.

**Moderator:** On behalf of Siyaram Silk Mills Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.