

23rd August, 2023.

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

Dear Sir/ Madam,

Sub: Transcript of Analyst / Investor Meet held on 16th August, 2023

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 16th August, 2023.

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,

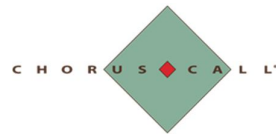
For SIYARAM SILK MILLS LIMITED

William Fernandes
Company Secretary

Encl : a/a.

Siyaram's

“Siyaram Silk Mills Limited
Q1 FY '24 Earnings Conference Call”
August 16, 2023



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: **MR. AMAR YARDI – ORIENT CAPITAL**

Moderator: Ladies and gentlemen, good day and welcome to the Q1 FY24 Earnings Conference Call of Siyaram Silk Mills Limited. 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 the 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 Mr. Amar Yardi from Orient Capital. Thank you and over to you sir.

Amar Yardi: Thank you. Good afternoon, ladies, and gentlemen. I welcome you all for the Q1 FY24 Earnings Conference Call of Siyaram Silk Mills Limited. To discuss this quarter's business 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 management for their opening comments and then we will open the floor for Q&A. Thank you and over to you Ramesh sir.

Ramesh Poddar: . Thank you. Good afternoon and a warm welcome to the second earning conference call of Siyaram Silk Mills Limited to discuss Q1 FY24 financial performance. I would like to extend my gratitude to everybody who has taken time to attend the conference call and has constantly been part of the journey of Siyaram. Also I am pleased to welcome everyone who is looking at our company for the first time.

Established in 1978 through our fabrics and garment business, Siyaram has carved a niche in the hearts and minds of millions and has let down one of the key foundational philosophies of the companies in establishing strong quality process standard and providing excellent quality of fabrics and garments. We have come a long way since. Now we are almost India's most renowned brand and marketeers of fabric, ready-made garments, and other textile products. We deeply understand men's clothing needs and are on the cutting edge of innovation and technology to make their dreams a reality.

Our company has been operating profitably for the last four decades and with a well-diversified portfolio of around 15 lakhs plus customers in 30 countries. Our legacy is the foundation on which our future is being built. One of the key highlights of our company's performance since listing, it has been consistent value creation for our stakeholders and sharing the company's achievement through consistent dividend distribution, stock splits and buyback initiatives. We are pleased to report that the Board of Directors have approved a buyback of equity shares up to INR108 crores representing 3.54% of the total number of equity shares of the company.

This buyback will happen through tender offer route following the guidelines of SEBI regulations 2018. Our steadfast commitment to delivering enduring value to our stakeholders is a result of our focus on maintaining a strong financial position, effective capital allocation and prudent financial management practices. We strive to strike a balance between reinvesting in the growth of our business and rewarding our shareholders for their trust and support. 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, everyone. Thank you for joining us on the call. Let me begin with a brief overview of the market trends during this quarter. As you might be aware, the first quarter typically experiences weaker consumer demand due to the absence of occasions and reduced festive related expenditures. This subdued sentiment has also influenced brands across discretionary spending categories.

Furthermore, external factors like weather conditions have exerted a notable impact on consumer behaviour. While there was a slight improvement in consumer sentiment thanks to summer weddings in the month of April and May, it is important to note that weather elements including heat waves sweeping across India and persistent rainfall contributed to the decreased footfalls in both shopping malls and retail outlets. Throughout the years our primary focus has been on enhancing our manufacturing capabilities through an internal research and development team dedicated to innovation.

This approach enables us to effectively address the requirements of India's clothing market. Our unwavering commitment has been to adapt to the evolving demands and preferences of our customers, all while upholding the utmost benchmarks of quality. In the past couple of years, our focus has been on innovation and expansion in the product portfolio that will cater to the new age requirements of aspirational Indians. We introduced Den-Knit, a knitted denim fabric brand, offering a unique blend of comfort and style in the denim space. We launched Bamboo Blended Shirting Fabric for the first time in India. We have also launched Ethnair to enter the ever-growing ethnic wear fabric market.

These initiatives exemplify our commitment to staying ahead of the market trends and providing our customers with high quality diversified products. In last quarter's call, I mentioned that we have adopted an asset-light model for business expansion. Our manufacturing efforts will predominantly revolve around innovation and quality, enabling us to provide remarkable products that align with the ever-changing requirements and anticipations of our customers. This strategic approach positions us to effectively scale our operations and promptly adapt to shifts in demand while optimizing the use of capital resources.

We will continue with the aim of expanding our market share. Our spending on advertising and marketing has increased in the quarters gone by. This will help us to enhance brand visibility and aspirational value. We are planning to launch Siyaram Men's Bazaar, a transformative initiative that offers aspiring entrepreneurs the opportunity to join hands with us as valued business partners. With a minimum investment of approximately INR23 lakhs,

individuals can own their own business. Notably, this program is designed to operate at a taluka level, reflecting our commitment to fostering entrepreneurship at the grass root level.

In the near term, we anticipate that retail sales might experience some challenges in this quarter due to subdued demand. However, we are optimistic that demand will gradually pick up as the festival season approaches in the latter part of the year. Our company is steadfast in its commitment to addressing the changing preferences of the younger generation through our diverse collection of fabrics and clothing. I would now like to hand it over to Mr. Surendra Shetty to take us through our financial performance in more detail. Thank you.

Surendra Shetty:

Thank you Gauravji. Good afternoon, everyone. Our revenue for Q1 FY24 is INR3,538 million as compared to INR3,980 million in Q1 FY23. A decline of 11% year-on-year basis. Fabric constituted 78%, Garment 14% and Yarn and Others 7% of Q1 FY24 revenues. The decline in revenue can be attributed to weaker market conditions. EBITDA for the quarter is INR225 million and EBITDA margin for the quarter is 6.4%. The EBITDA margins are largely impacted due to higher marketing and advertisement expending and lower absorption of fixed costs leading to negative operating leverage. PAT for the quarter is INR100 million and PAT margin for the quarter is 2.80%.

During the quarter, we have reduced our net debt to INR44.80 million as against INR208 million as on 31st March 2023, taking our gross debt to equity to 0.18x.

Thanking, that's all from my side, we can now open the floor for question-and-answer.

Moderator:

Thank you very much. We will now begin the question-and-answer session. First question is from the line of Manish Ostwal from Nirmal Bang Securities Private Limited. Please go ahead.

Manish Ostwal:

Yes, sir. Thank you for the opportunity. And my first question on the -- our sales performance during the quarter. We have written in the press release that market condition tough and because of that we have seen a decline in the sales growth of 11% in a Y-o-Y basis. But sir, when I compared Siyaram's performance with other industry players like, Raymond and some of the apparel companies, they have seen decent growth on a Y-o-Y basis also.

A few days back, the Trent reported 20% quarter-to-quarter growth in the sales. I know it is not a comparable thing, but the market condition is not -- other players are reporting decent growth whereas we are reporting negative growth. So, A, in the base quarter there was a one-off in terms of some orders, outside order which is not in this quarter that is impacting the overall growth at a company level or can you comment bit detail about the sales performance during the quarter against your expectation also? Thank you.

Management:

Thank you for the question. So yes, there has been a decline in growth as reported by us and each business model is different. We cannot comment on other companies but the business model that we have followed largely is a distribution-oriented model, which has served us well over the last so many years. And we firmly believe that this will also help us grow in the future in the long run. So, the market conditions have been tough and despite our best efforts, we have shown these numbers.

The one-off sale that we had mentioned earlier, the one which you speak about, is largely in the second quarter. So that effect will be seen only in the second quarter and not the first.

Manish Ostwal: And secondly, sir, you guided in the last con call that revenue growth would be over the medium to 12% to 13%. That guidance will remain intact, right, sir?

Management: So, in the last call, we had guided 12% to 13% kind of revenue growth for the whole year, it is too early to revise those numbers and this quarter was very weak but we will still like to maintain those kind of numbers. And hopefully by the end of the year, we can reach that position.

Manish Ostwal: Okay. And sir you mentioned that we have increased our sales and marketing expenditure to expand our brand positioning in the marketplace. So, can you tell us what percentage of ad spend of revenue in quarter 1 FY '24 vs FY '23 levels?

Management: In the last conference call we had indicated that there is a need to invest more in the brand. After COVID, we had not done much marketing expenditure and we felt that there is a need to start doing that. So we spent an extra amount in this quarter, about maybe INR17 crores to INR20 crores was spent in advertisement and sales promotion. However, that as a percentage of sales became much higher due to the weak demand and top line not being there.

Manish Ostwal: Okay. And lastly in terms of volume growth in Fabric division, what was the volume growth for the quarter sir on a Y-o-Y basis?

Management: So in the Fabric business there was an overall the business had a negative maybe about 11%, 12% de-growth. And the volume value is similar so that is the kind of numbers in the fabric business.

Manish Ostwal: Okay. Thank you, sir. Thank you for the answer all questions. Thank you.

Moderator: Thank you. Next question is from the line of Keshav Garg from Counter-Cyclical PMS. Please go ahead.

Keshav Garg: Sir, firstly, many thanks for this made in share buyback. And sir, we honestly hope so that it becomes the annual share buyback. Thank you very much for that on behalf of all the shareholders. So I'm trying to understand, sir, if you look at our presentation page number 30, so then our garment sale in FY '19, there around INR406 crores, which last year has decreased to INR374 crores. Sir, whereas if we look at other pure play garment manufacturers, so their revenue in FY '23 were 80% to 100% over their FY '19 revenues. So sir, why is it that our garment sales are also not picking up.

Management: Thank you for the question. So in the -- I think you are talking about the garment sales, previous years versus last year, right?

Keshav Garg: No sir, I am comparing our FY '19 garment sale of INR406 crores, versus our FY '23 garment sale of INR374 crores.

- Management:** Right. So, one of the reasons that there is a decline in this number is because consciously the company has taken a decision to exit the large format and other consignment driven sales which were not yielding positive results for the company. And the results of which, due to this conscious decision, we saw an improvement in working capital and other operational parameters within the company. And this objective has been seen in the balance sheet.
- Keshav Garg:** Sir, so going forward, how do you see our product mix changing? Sir, do you see that in the next three to five years garments will constitute a higher proportion of our total revenue?
- Management:** So it is our endeavour to grow all our businesses. Right now garment consists of a small percentage of the overall turnover. And yes, of course, we try to grow all the businesses together. Fabric business also is growing and is a larger market share right now that we have. But of course garment also we expect to grow.
- Keshav Garg:** So, sir, since garment sector only is growing far higher than the fabric market, so one would expect that the mix should change in favour of garments. So why is it not clear that garments proportion should increase for us?
- Management:** That is because each of our businesses, we have our own distribution channel and marketing network. And in the fabric business, we own a larger percentage of the market share in the market so it is a -- we hold a more dominating position in the market in the fabric business. Garment business of course is much larger but the business is much more fragmented. So each of our businesses we expect to grow, market is growing everywhere and we expect to gain market share in all businesses.
- Keshav Garg:** Sure, sir. And sir, since we are anyway outsourcing a large part of our [inaudible 0:16:46], 50% of our revenue is coming from outsourced business, so please correct me if I am wrong. So then why don't we just give our fabric to garment manufacturers and get them stitched and sell in the form of garments? So like for example, in the ethnic wear also we are trying to sell ethnic wear fabric. So why don't we just get it stitched in the form of garments and then sell garments like Vedant Fashion, Manyavar is doing.
- Management:** So see the fabric over the counter which is OTC market and the garment market are two different verticals. In the garment business, we have outsourcing and we do what you say, we give fabric outside and get it converted to garments and sell garments through our distribution network. But the fabric business is where we sell fabric to distributors who end up selling to retail and service the end consumer by selling fabric and hence which is tailored at the end consumer level.
- So the ethnic wear fabric market which you are talking about is again something where there are very few brands and where we are selling fabric as a final product to the consumer because ethnic wear as a space is occupying more acts of retailers. So that is a new business stream that is available.
- Keshav Garg:** So the thing is that tailoring is a dying business sir. All tailoring shops are being shut and new generation is not interested in entering this tailoring, in becoming tailors. Now it's a fast fashion kind of even vogue. So people just prefer to buy garments, then to first buy fabric, then

go to tailor then get it stitched. Sir, don't you think it is very time consuming and it's a 20th century business basically this fabric and tailoring everything.

Management: Tailoring is a business that we are also promoting. We do many tailoring conferences in the year where we promote and educate tailors on how to do better stitching. Fabric is a different market altogether. India is a very big country and a large spend of India happens in the rural market. So there is growth on fast fashion, there is growth on all kinds of segments of clothing whether it is fabric or apparel and a lot of in the wedding season, in the festive season there is a lot of gifting and other things which also contribute to a large part of the fabric market.

Keshav Garg: But don't you think that like urban India has shifted away from tailoring to readymade garments, it's only a matter of time before rural India also does the same?

Management: At the moment we are seeing a growth in the fabric market, we see a lot of potential in our existing model. So, while we grow the garment business, fabric also is the largest percentage for us and we continue to believe in that business.

Keshav Garg: Sure sir. Sir, and also sir, what is the -- we have a subsidiary Cadini Apparel sir, which is doing hardly INR 3 crores revenue and some marginal losses. So, any plans to scale up this business and so what exactly is this vertical? What is this subsidiary doing?

Management: So Cadini Italy is a brand in Italy and we have operations in Italy where we outsource garments and supply Italian made in Italy garments to retailers across the world. It is a very small business but we have patents of the Cadini brand in more than 100 countries across the world and we use that business in India for our fabric business. So it is a very important aspect of the whole business to keep that alive.

Keshav Garg: So should we expect scale up from this subsidiary?

Management: Yes, our efforts are there, but since it is a made in Italy product which is very, very premium, and expensive, so the scale up is not as fast as we would expect in the local Indian market. That product is not being sold in India, that product is being sold in multi-brand outlets across the world and you would understand that the price of that product is very high because there are Italian made in Italy fabrics being converted in Italy itself, so there is a made in Italy garment proposition sold from there.

Keshav Garg: Sure sir. Sir, and last quarter you mentioned that the huge jump in exports that we saw last year, a large amount of it was due to one single export order which is unlikely to reoccur. So keeping that in mind, sir, what kind of export revenue do you foresee in this financial year?

Management: That particular order which you mentioned is largely part of the Q2 last year and while that was one particular order, we still would like to maintain our percentages in this year.

Keshav Garg: So, basically, we are expecting some other export business to offset that order basically.

Management: Right.

- Keshav Garg:** Sir and lastly sir, what is the seasonality in our business quarter-on-quarter? Is it that the first quarter is the lowest and so on?
- Management:** Yes, traditionally first quarter has been the weakest of the four quarters because the marriage and wedding season only kicks in later.
- Keshav Garg:** So basically Q1 is weaker or H1 is seasonally weaker for us?
- Management:** Q1 is the weakest out of the lot and therefore H1 has some pressure and it's also very dependent on when Diwali comes in because every year there is a transition of which month exactly it comes so the sale also gets affected due to that.
- Moderator:** Thank you. Next question is from the line of Nirav Savai from Abakkus Invest. Please go ahead.
- Nirav Savai:** Yes, sir. Thanks for the opportunity. So my question is just a continuation of the previous participant. It asked on the A&P spends which were there this quarter. So if I compare this with the last year of first quarter FY '23, what would be the incremental spends which we have done in this quarter?
- Management:** Incrementally it would be about 17 to 20 with what kind of number which I mentioned.
- Nirav Savai:** Okay INR17 crores to INR20 crores, so last year there were no spends in the first quarter and in piece it right?
- Management:** There was small spend but advertisement and sales promotion put together incrementally this quarter was about INR17 crores more.
- Nirav Savai:** Okay around about INR17 crores so also in your initial remarks you did mention about Siyaram Men's Bazaar which is where the investment would be about INR23 lakhs mainly for targeting Tier 3 or Taluka kind of villages and towns. So can you just elaborate more on that strategy in terms of expanding the franchise network?
- Management:** Yes, so Siyaram is basically the brand that we have built over these years. This has a very strong recognition in the rural market of India and we firmly believe that this rural Tier 3, Tier 4 kind of market, these taluka places have great potential in the business growth and also a strong recognition of the Siyaram's brand. We identified that the forward-looking sector of this business as also mentioned on the last question was going towards retail and how we can reach the consumer closely.
- So Siyaram Men's Bazaar is a new initiative that we want to adopt franchises and how we can scale this retail business in this taluka kind of places where with a minimum investment we can foster this entrepreneurship with small businessmen and grow the business together.
- Nirav Savai:** Okay so at the last call you had indicated you know you will be targeting at least 50 new franchisees towards every year so is there something which remains intact or we will see some more acceleration happening in this?

- Management:** When we have indicated about 50 stores which we would like to open we would keep like to keep that number the same for now we are still in the ideation phase of Siyaram Men's Bazaar. We would expect that you would start these stores in the next quarter and take it from there.
- Nirav Savai:** Lastly, from my side, you said the revenue break-up this quarter is about 72% from fabric, 14% from garment and yarn and others is 14%, right?
- Management:** No, no, I think it is 78 fabric, 14 garments and 7 is yarn and others.
- Nirav Savai:** Okay, okay, alright. That's it from my side.
- Moderator:** Thank you very much. Thank you. Next question is from the line of Rahul Jain from Fintex Limited. Please go ahead.
- Rahul Jain:** Yes, so sir, I have a couple of questions. So my first question is, sir, in specifically related to our upcoming products, sir, more specifically in terms of like any new garment brands or fabrics or related initiatives that the company is looking to develop or looking to plan, planning to launch within a year and what would be our pipeline for the current year and the next year?
- Management:** So as indicated in the speech, we have taken several initiatives in the last year which we intend to consolidate and build on. Siyaram launched Ethnair which is an ethnic wear fabric brand. We launched this Denknit which is a B2B fabric, indigo fabric, knitted fabric and we launched the bamboo shirting business which is yielding good results for us. So we intend to consolidate and grow this business and, in this year, we plan to launch Siyaram's Men's Bazaar which is a retail model for franchises in the taluka level places in India and we would like to start off first in the state of Maharashtra and then grow it from there.
- Rahul Jain:** Okay sir. Sir, my next question is regarding our capex plan sir. Any capex guidance or store expansion for the current year?
- Management:** As per the capex is concerned, we will be doing a normal capex of around INR40 crores to INR50 crores year-on-year basis. There is no major expansion in this.
- Rahul Jain:** And sir, store expansion plans?
- Management:** We will not have a major capital expenditure, that is on the franchisee model. The store expansion only relates to working capital expansion.
- Rahul Jain:** Okay sir. And sir, my last question is on the marketing and the advertising expenditure, sir. Could you give us some color on what would be our annual target for our marketing expenses?
- Management:** We had indicated in the last con-call that we intend to have 3% to 4% kind of number for the annual, in the overall year. But unfortunately, this year we started the spends and the sale could not be reflected, so the numbers might be little off, but this is the kind of number we would like to stick to for the year.

- Moderator:** Thank you. Next question is from the line of Aadesh Shah from Mapal Broke Stock. Please go ahead.
- Aadesh Shah:** So in terms of demand, like what is our outlook for the next quarter and the rest of the year?
- Management:** So, demand as of now, as we see it at the moment, we still see some subdued demand in the market, but we are hopeful that in the next month once the festivities pick up, we should see a revival in demand. We have done many retail and other sales conferences with our customers and we see a lot of positive outlooks for the time coming ahead. But in the second half of the year we are sure to see some kind of revival in the demand.
- Aadesh Shah:** Okay, so given that profits have been impacted like for this quarter, could you guide on what is the anticipated full year profits and the sustainable margin outlook for the next two to three years?
- Management:** In the last con-call we had given a guidance of between about 14 to 16% of EBITDA, which is something that we would like to maintain for the overall year and in the long term also.
- Moderator:** Thank you. Next question is from the line of Manish Ostwal from Nirmal Bang Securities Private Limited. Please go ahead.
- Manish Ostwal:** Yes sir, thank you for the opportunity again. My question on the total operating cost, if we exclude the RM cost, what will be the broad breakup of fixed and variable expenditure?
- Management:** Regarding this, there are operating cost etc., we will give the details later on, at present we don't have it.
- Manish Ostwal:** Okay, no problem. And the second question on the export market trend, so how is our international market demand is behaving? Can you comment on that piece of the business?
- Management:** At the moment, in the month gone by in this year, the export market has been tough due to the global scenario. But at the moment, we see a lot of interest in our products in the export market for the next season and so going forward, the outlook seems positive.
- Manish Ostwal:** Thank you.
- Moderator:** Thank you. Next question is from the line of Kiran Naik from Kiran Investment. Please go ahead.
- Kiran Naik:** Sir, thank you for giving me an opportunity. My question is that are there any buyback?
- Moderator:** Sorry, I think. Mr. Kiran, we are not able to hear you. Mr. Kiran, if you are able to hear us, please respond. As there is no response from the current questioner, we will move to our next question from the line of Ranjeet Morya from, he is an individual investor, please go ahead.
- Ranjeet Morya:** Yes, hi, thanks for the opportunity. Some initial question pertains to the fluctuation, which we have observed in EBITDA, that is both sequentially and year-on-year. Sir, could you provide

insights into the factors influencing these variants? Additionally, considering the future, are we maintaining our aim for a 17% margin on a full year basis?

Management: So on the question of the EBITDA, we saw a lower sale in the first quarter and that had a negative operating leverage impact on the EBITDA. So that is one of the reasons. And the second reason has been due to a large increase in advertisement and sales promotion, which also had a negative impact on the EBITDA. With regards to your second question, in the previous con call, we had indicated a long-term EBITDA range of between 14% to 16% and we would like to stick to that kind of number.

Ranjeet Morya: Okay. And, sir, is the EBITDA margin guided, that is, due to the strategic priorities, which we are taking like the distribution, network expansion and manufacturing through outsourcing partners, all of these strategic initiatives, where we will stand on the EBITDA in a normal way going forward?

Management: So given all those factors, which you mentioned, which is the strategic priorities of the company, based on all these priorities, this EBITDA margin we feel is kind of reasonable.

Ranjeet Morya: Okay. And sir, my second question would be on the sale of, as you have mentioned that there is a sale of premium fabrics was higher in the last fiscal year. So as you just mentioned, there is a subdued demand, but overall in the FMCG space or the consumer space, we have seen a premiumization is going on. So, can you just highlight a little bit like on the premium segment, how is this fairing up for us, with the mid-premium or the low category space?

Management: See, our business is a seasonal business with quarter one being the slowest quarter of the year. So, it is not fair to look at it on a quarterly basis. But if you look at the last year, we have also commented on our, the premiumization that we see in our business and so we have in the last year and also in this year, we expect that the premiumization trend should continue.

Ranjeet Morya: Okay. Thanks.

Moderator: Thank you. Next question is from the line of Amit Kumar from Determined Investments. Please go ahead.

Amit Kumar: Thank you so much for the opportunity, sir. I am still a little bit sort of surprised by the EBITDA performance and even taking into account the incremental advertising spend. If we add INR17 crores to the INR22.5 crores, that you have reported, you hit about INR39.5 crores, let's take it INR40 crores. Forget FY '23, when we look at the first quarter of FY '22, which was really a COVID hit quarter, it's very, very tough as it is. You are seeing just about EBITDA growing from just about INR30 crores to INR40 crores.

Even while during this period your sales has grown by more than 50%, almost from INR32 crores to INR354 odd crores. The cost structure seems to have gone off a little bit again in the last two years because, at least as far as I remember, the raw material prices, they had gone up till '23, but back now, so it should be fairly similar between these two years. So could you talk a little bit about, have you added in terms of cost, is there any other sort of one-off which is there, any sort of inventory write-off or anything in the present numbers?

- Management:** So, you are comparing the year before last year.
- Amit Kumar:** Yes.
- Management:** In the quarter one of that year, there was a large impact of pent-up demand, which affected the numbers drastically because of the COVID related impacts. And when you see the expenditure and other things in this year, it is not that there is a major increase as to what is normal, but everything has normalized once again. And that is the reason. So the reasons mentioned as per a drop in EBITDA has already been mentioned before.
- Amit Kumar:** So the cost that way has normalized is, what you are saying?
- Management:** Yes, some of what, right.
- Amit Kumar:** So second point on this incremental advertising spend also again fairly interesting that you have stepped up on your ad spend in a very big way and that is not reflecting in terms of demand, that is not reflecting in terms of demand for your products. I just wanted to understand, is it that those ad spends have come in later on during the quarter like June or is it that, they were sort of fairly leveled during the quarter April, May, June?
- Management:** So, advertisement spend, like you mentioned, has been ramped up in this quarter. But as you can understand, advertisement is an investment that we look at to do in the brand and it does not have an immediate or a correlated effort immediately on any kind of top line. It is something that, we build over a long term, and which we need to continue doing in the long term to actually get the awareness of the brand. And that results ultimately in higher awareness and higher sales.
- Amit Kumar:** I appreciate that point. My only point was that, was the advertising spent like leveled during the quarter, which is spread across April, May, June, or did they come up in June itself?
- Management:** No, they were not come up in June. They were spread across the quarter.
- Amit Kumar:** Spread across the quarter. Understood. All right. Thank you.
- Moderator:** Thank you. Next question is from the line of Naitik Mohata from Sequent Invest. Please go ahead.
- Naitik Mohata:** Thank you for the opportunity, sir. Earlier we used to give volume numbers segment wise in fabric, garment, and yarn. So I believe this time we have missed out in the presentation. So could you help me with that?
- Management:** So we give you a consolidated revenue number as to the achievement from last year and also the guidance for the whole year, which we hope to achieve.
- Naitik Mohata:** Sir, not revenue number, I am asking volume numbers?
- Management:** As far as the volume is concerned, there is a degrowth in the first quarter. So I will give the mainly the fabric contribution is there. So, in that also, there is a degrowth in the volume of

approximately in the fabric, there is a, in the first quarter there is a degrowth of approximately of 11%-12%. In the yarn business, there is a degrowth of approximately 35% and in the garment also, there is a degrowth of about 11%. Sorry, in the volume, sorry, in the fabrics is about 12% - 13%, yarn is about 18% and garment is about 6%.

Naitik Mohata: okay, sir, basically our guidance is that we maintain 12% - 13% of growth in FY '24 also. But Q1 has been quite bleak. So what makes us confident that we might be able to achieve such revenues during the year? Do we see a strong order book in the garment segment or something from H2 or Q2 itself maybe? Anything on that, sir?

Management: See, Q1 traditionally has been the weakest quarter, which is every year we see that phenomenon because of the seasonality in the business. This year it has been weaker than what we see otherwise in quarter one. With regard to your question on maintaining our guidance for the revenues, we see that even now, in the current month and previous month also, we see weakness in demand.

But our future, we expect that in the next month the demand should revive. The sales conferences and retail conferences that we have done have given us very positive response for the upcoming season and it is too early to give you any new guidance because it has only been one quarter. So we would like to stick to those numbers and hope to achieve them.

Naitik Mohata: Okay, sir. Fair enough. Thank you.

Moderator: Thank you. Ladies and gentlemen, due to time constraint, this was the last question for the day. I now hand the conference over to the management for the closing comments.

Management: Thank you everyone for attending the call today. If there are any further questions or queries that we have not been able to answer, kindly reach out to us on the email IDs mentioned on the website. Thank you and have a great day. Stay safe, thank you. Thank you very much.

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