

7th November, 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

Sub: Transcript of Analyst / Investor Meet held on 02nd November, 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 02nd November, 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 Silk Mills Limited
Q2 FY '24 Earnings Conference Call”
November 02, 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 Q2 and H1 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 touch-tone 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, Seema. Good afternoon, ladies, and gentlemen. I welcome you all for the Q2 and H1 FY '24 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 the management for the opening comments and then we will open the floor for Q&A. Thank you and over to you, Ramesh, sir. Thank you.

Ramesh Poddar: Good afternoon and a warm welcome to the third earnings conference call of Siyaram Silk Mills Limited to discuss Q2 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's. Over time, Siyaram has evolved from primarily being a textile manufacturing company to transforming into a lifestyle brand.

Our strategy revolves around successfully navigating channels to emerge stronger than ever. By adhering to our business approach and adhering to the fundamental principles of the business stability, sustainability, and scalability, we have constantly demonstrated the resilience of our vision and strategies. We remain committed to pushing our boundaries, achieving new

milestones, and maintaining our confidence in our ability to further build upon the progress we achieved, thereby fostering overall growth.

Over the past four decades, our company has constantly run profitably and established a diverse customer network. We operate state-of-the-art manufacturing facilities in Tarapur, Daman, Amravati, and Silvassa. Equipped to meet the escalating demand for fabrics and apparel, our legacy serves as the cornerstone upon which we are constructing our future.

Our ongoing efforts have constantly revolved around generating value for our stakeholders. We have shared our success through ongoing dividends, stock splits, and buyback initiatives. We are delighted to announce that our Board of Directors has approved a dividend of INR4 per share with a face value of INR2 each. In October, we also successfully concluded our equity share buyback program worth INR108 crores.

I will now hand over the call to Mr. Gaurav Poddar to discuss the business performance in detail. Thank you.

Gaurav Poddar:

Thank you, Rameshji, and good afternoon to everyone. Thank you for joining us on the call. Let me begin with a brief overview of the industry trends. We are hopeful that the textile industry will show signs of recovery in the second half of the year. The previous trend of increasing input prices has stabilized and remains within a certain range. Domestic demand is on the upswing with the advent of the festive season and clearance of accumulated channel inventories.

We reported a sale of INR585 crores in the last quarter. In the corresponding quarter in the last year, we reported sales of INR635 crores, which included a large one-off exports order. As a strategy, we continue to focus on improving our market share. In the quarter gone by, we have made an advertising and sales promotion spend of INR33.5 crores as against INR19.7 crores in the corresponding quarter of last year. Adjusted for these incremental spends, we have more or less maintained our EBITDA margins in the second quarter of FY '24.

We hold a positive outlook for our business resurgence and have a strong belief in the company's long-term prospects. Our commitment to gaining market share and preparing for business growth remains unwavering, especially as market conditions become more favourable in the future. We remain committed to adopting an asset-light model and as a company, we have chosen to maintain equilibrium between internal production and outsourcing, with a strong emphasis on innovation and quality.

This approach will allow us to expand our business efficiently and swiftly adapt to changes in the demand while maximising our capital utilisation. In the last quarter, we introduced Siyaram Men's Bazaar, a transformative initiative that provides aspiring entrepreneurs with the chance to collaborate with us as esteemed business partners. Siyaram Men's Bazaar is currently in its nascent stage and we expect revenues to start showing in the next fiscal.

Now I would like to request our CFO Mr. Shetty to share highlights of our financial performance, following which we will be happy to respond to your queries. Thank you.

Surendra Shetty: Thank you, Gauravji. Good afternoon everyone. Our revenue from the operation for the quarter 2 FY '24 is INR5,852 million as compared to INR6,355 million in the second quarter of FY '23. Fabric constituted 78%, garment 16% and yarn and other 6% of the second quarter of FY '24 revenues. Due to delay in the onset of festive seasons and one-time export order in second quarter of FY23, the revenues showed a decline of 8% on year-on-year basis.

EBITDA for the quarter is INR879 million and EBITDA margin for the quarter is 15%. PAT for the quarter stood at INR614 million and PAT margin for the quarter is 10.5%. In first half of FY '24, our revenue from the operations is INR9,390 million as compared to INR10,334 million in first half of FY '23.

EBITDA for first half of FY '24 is INR1,104 million and EBITDA margin stood at 11.8%. PAT for first half of FY '24 stood at INR714 million and PAT margin is 7.6%. Our net debt has increased by INR26.30 crores due to increase in working capital in first half of FY '24. Debt to Equity stood at 0.17 times.

Thank you that is all from my side. And we can now open the floor for question-and-answer.

Moderator: Thank you very much sir. We will now begin with the question-and-answer session. We take the first question from the line of Manish from Nirmal Bang. Please go ahead, sir.

Manish: Thank you for the opportunity and decent set of numbers given the environment. My question on the volume growth recorded in the first half of the fiscal, how much volume growth we recorded both the garment as well as the fabric business? Secondly, in the base quarter, what was the total sales value of one-time order?

Gaurav Poddar: Thank you, Manishji. The volume growth for the fabric business in the second quarter was about 5% and the volume growth for the garment business in the second quarter was minus 36% roughly. And this garment business has a minus 36% largely because of the one-off exports order. The approximate value of this one-off exports order is roughly about INR85 crores. 80% of this was executed in the second quarter last year.

Manish: Okay. Secondly, we said in the beginning of the current fiscal that we will spend more on advertisement so that improve the brand recall. And so how much we have spent on the ad spend and the one-edge vis-a-vis the last first financially in terms of percentage of sales?

Gaurav Poddar: So in the last quarter, roughly the ad -- marketing expenditure, which is advertisement and sales promotion comes to about 6%, as against 3% which was done in the previous corresponding quarter last year.

Manish: Okay. And lastly, your comment on how the festive season is shaping up in terms of inventory at the channel level? How are they building up compared to the last year? What kind of growth rate you are seeing at channel level? Can you comment on that thing? And how the second half you are anticipating for the business?

Gaurav Poddar: So the first half of the year has been very tough. The business environment has been tough and it has been tough for us too. And the inventory build-up is largely because the festive season is

slightly delayed and Diwali is also delayed. So we see some kind of uptick in this month and we are hopeful that the second half of the year is much better than the first half. And that is why we are building this inventory to prepare ourselves to service the market in that sense.

Manish: And lastly, on the geographical expansion side, you said we will be adding the franchisee-led distribution network. So what is the update on that strategy basically?

Gaurav Poddar: So the distribution business, we keep monitoring and reviewing and adding distributors as and when we find there is a need for adding in a particular area. And for the franchisee business, we are operating on an outright model. So we are always looking to enhance the franchisee network throughout the country.

Manish: So how much we have added in the first half, sir?

Gaurav Poddar: So we have roughly added about 10 stores to 12 stores in the first half of this year.

Manish: Okay. Thank you very much, sir. All the best for the second half. Thank you.

Gaurav Poddar: Thank you very much.

Moderator: Thank you, sir. We take the next question from the line of Aashka Trivedi, Kedia Securities, Private Limited. Please go ahead.

Aashka Trivedi: Hello, sir. Thank you for the opportunity. Ashka this side. So my first question would be on our brands like Breezy, Evita, and Delicate which we have introduced recently. So sir, will you like to talk about any progress in that brand? How are they doing?

Gaurav Poddar: So see Breezy, Evita, these are all product-related brands. So they are sub-brands of our main brands, Siyaram's Cadini, J. Hampstead, and Oxemberg. Siyaram's Cadini, J. Hampstead are part of the fabric business. And Breezy and Evita are sub-brands which promote a particular bamboo-blended shirting fabrics. So whenever we launch a new category to promote it within the channel, we have to create new sub-brands so that there is importance given to that product category and we can push it forward as a category.

So the response has been very good. Market sentiments have been weak, but the product has been well accepted in the distribution network and we have got good feedback. So we continue to grow with this business.

Aashka Trivedi: Okay. And so my second question would be that in our investor presentation, we have been stating that our new marketing approach, we aim to attract online shoppers. So what efforts are we making in this area to attract the online shoppers?

Gaurav Poddar: So we have our website, shop.siyaram.com, where we have our products present on the e-commerce platform. We are also present in some of the marketplaces available online. But since we are a largely distribution-driven company, we have to protect the interests of our distributors and we do not offer much discounting on these online platforms due to which this percentage of revenue on e-commerce is very low. But if we are able to promote full-price sales at sustainable margins, then we are keen to grow this business.

- Aashka Trivedi:** Okay. So online shopping will always remain secondary for us, right? Because distribution model will be our priority?
- Gaurav Poddar:** See, distribution model is a priority, but online shopping is something which we want to be present in and which we want to grow, but it has to go in a sustainable way.
- Aashka Trivedi:** Right. And sir, total franchises to be opened for this year, if I am not wrong, you had given a number of 40. So are we sticking to that number?
- Gaurav Poddar:** Yes, we had given a larger number and we have opened about close to 10 stores for the first half. We are for now sticking for this number, but the market has been tough and the franchise route that we operate is more of buy and sell where investments need to be made by the franchisee. So the environment has not been very positive. But we continue to put our efforts in and try to do the best for the second half of the year.
- Aashka Trivedi:** Okay, sir. All the best. Thank you.
- Gaurav Poddar:** Thank you very much.
- Moderator:** Thank you. We take the next question from the line of Nirav Savai from Abakkus. Please go ahead, sir.
- Nirav Savai:** Hello, sir. Thanks for the opportunity. Sir, I wanted to understand our outlook on the export side. Like, last year we had benefited in the second quarter. Do we see a similar kind of benefit in H2 on the garment export business?
- Gaurav Poddar:** The garment export business in particular was a one-time export order due to pent-up demand. That particular order is unlikely to come in. Although, the uniform requirement will continue, that kind of volume and consistency of order is unlikely.
- Nirav Savai:** And on the domestic side, we had guided overall about 12%, 13% kind of a growth. Where we think put together for FY '24. And now after the first half, do we still continue to maintain a guidance or is there any change there?
- Gaurav Poddar:** See, the first half has been quite weak. And although, we had given that guidance, we expect that overall in the whole year, we expect to grow about 3% to 5% at an annual level on the top line. There is a shortfall for the half year, so we expect to cover that and then grow further by 3%, 5%.
- Nirav Savai:** Okay, so overall for FY '24, we are targeting about 3% to 5% kind of a growth?
- Gaurav Poddar:** That's right.
- Nirav Savai:** Right, and I just missed out the initial comments on the revenue breakup for fabric, garment, and yarn. If you can just help us out?
- Gaurav Poddar:** Fabrics contributed in the second quarter, July to September '23. Fabrics was 77%, yarn is 6% and garment is 17%, roughly.

- Nirav Savai:** Right, that's it from my side. Thank you very much.
- Gaurav Poddar:** Thank you.
- Moderator:** Thank you. We take the next question from the line of Guneet Singh from CCIPL. Please go ahead, sir.
- Guneet Singh:** Hi, sir. Thank you for this opportunity. Most of my questions have been answered, but I just have a question regarding the EBITDA margins that we're looking at for H2. So, I mean, margins have improved quarter-on-quarter from around 6%, 7% to 15%. What kind of margins are we looking at for H2? I mean, and the trend currently in the world?
- Gaurav Poddar:** Thank you for your question. We have given a guidance of EBITDA margins between 14% to 16% in the previous con calls and we aim to stick at that in the coming half of the year.
- Guneet Singh:** All right, so 14% to 15% margins in H2?
- Gaurav Poddar:** 14% to 16% is the kind of guidance that we aim to achieve.
- Guneet Singh:** I mean, is that your aim for the entire year or, I mean, is it for H2, 14%, 16%? Or annualized basis 14%, 16%? Because to reach 14%, 16% on annualized basis, we would have to, I mean, improve margins by much more?
- Gaurav Poddar:** This is for H2. This is our guidance that we have given quarter-on-quarter. The first quarter was much weaker and there was an operating leverage impact that we had. That is why for the second half of the year, this quarter we maintained that kind of margin and we continue to maintain, will continue in the next half of the year.
- Guneet Singh:** All right, that's all from my side. Thank you. All the best.
- Moderator:** Thank you, sir. We take the next question from the line of Rujuta from Asit Mehta. Please go ahead.
- Rujuta:** Hi, thanks for the opportunity. I just want to know the proportion of premium fabrics versus the non-premium fabrics in the mix?
- Gaurav Poddar:** This is a difficult question to answer because we cannot categorize as to what level is premium and non-premium. While we see a sense of premiumization happening within the company, the last quarter has been quite stable as the market has been weak. But over the last few years, we have seen some kind of premiumization in the industry.
- Rujuta:** Okay, and exports would continue to contribute about 12%, 15% of the business?
- Gaurav Poddar:** Yes, we expect this kind of trend to continue.
- Moderator:** Thank you. We take the next question from the line of Mr. Ketan Athavale from Robo Capital. Please go ahead, sir.

- Ketan Athavale:** Thank you for the opportunity, sir. I wanted to know your revenue and margin guidance going ahead for FY '25 and FY '26?
- Gaurav Poddar:** In the previous con call, we had given a rough guidance of growing between 12% to 15% on top line and maintaining an EBITDA of 14% to 16%. This was given for the coming three years and that is what we would like to maintain.
- Ketan Athavale:** Okay, you are maintaining that. Got it. Thank you, sir.
- Moderator:** Thank you, sir. The next question is from the line of Mr. Rahul Jain, an investor. Please go ahead, sir.
- Rahul:** Thank you for the opportunity. I have a couple of questions. So, sir, my first question is that I see for the year our demand has been sluggish. So, just want to know, sir, what would be our outlook for the next quarter and as well as for the second half of the year?
- Gaurav Poddar:** So, the demand for the first half has been sluggish as you rightly pointed out. But we feel that there were a few marriage dates were postponed and the festival season was also postponed. We find the second half of the year to be more promising and we see some kind of an uptick in this month and we hope that this continues for the rest of the year.
- Rahul:** Okay, another question, sir. So, what would be our plan in terms of distribution networks from the current level? And, sir, in the next three to four years, where do you see this number would go? And also, just like Cadini and Oxemberg, sir, do we have a separate distributor?
- Gaurav Poddar:** So, in terms of distribution, we have multiple distributors which are present all over India and they are all different brands and different categories have different distribution networks. The distribution strength is, what we look for while making a new distributor is how much money he can put in, how much network he has, how much capacity he has to sell our product. So, that is what we feel and on a time-to-time basis we review this and add and modify as required.
- Rahul:** Okay, sir. Thank you, sir, for the opportunity. My question has been answered. Thank you, sir.
- Moderator:** Thank you. The next question is from the line of Saloni Shah, an investor. Please go ahead.
- Saloni Shah:** Thank you for the opportunity, sir. I have a few questions. The first one being with regards to the revenue that we have clocked in, in the first half, do we expect the revenue to be better in the second half of FY '24?
- Gaurav Poddar:** We expect an overall growth of 3% to 5% as mentioned earlier for the full year, which would mean the second half revenue would be higher than the first half revenue.
- Saloni Shah:** Okay, sir. And could you provide a breakup of your own manufacturing and the outsourced manufacturing?
- Gaurav Poddar:** So, in the fabric business, we have an in-house manufacturing of about 50% and outsourced is 50%, whereas in the garment business, our in-house is about 20% and outsourced is about 80%.

- Saloni Shah:** Okay. And, sir, how much does the Tier 2 and the Tier 3 city sales contribute to the overall sales for the year?
- Gaurav Poddar:** So, we cannot have an exact number because we service the market through a distribution channel, but largely it would be more Tier 2 and Tier 3-driven.
- Saloni Shah:** Okay. All right. Okay. Thank you so much, sir.
- Gaurav Poddar:** Thank you.
- Moderator:** Thank you. The next question is from the line of Aashka Trivedi from Kedia Securities, Private Limited. Please go ahead.
- Aashka Trivedi:** Thank you for the opportunity again. So, sir, my question is that there is an announcement recently from the Ministry of Textiles regarding the Global Mega Textiles event Bharat Tech 2024 to be organized in the month of February in New Delhi. So, do we have any plans of participating in this event?
- Gaurav Poddar:** Yes, we have a plan of participation and it is the first time that the industry is doing something like this in India on such a large scale. So, we are going to participate and we are keen to see the response.
- Aashka Trivedi:** Thank you so much.
- Moderator:** Thank you. The next question is from the line of Manish Shah, an investor. Please go ahead, sir.
- Manish Shah:** Thank you for the opportunity, sir. My question is regarding, sir, this advertising and promotion. From the last two quarters, you had told that the advertising and promotions will go up. So, this will only be for these two quarters or it will be for the next two quarters also, sir?
- Gaurav Poddar:** You see, before COVID, the advertisement and sales promotion was a constant feature in the balance sheet, profit, and loss statement. But after COVID, there was a drastic reduction in the spend and that directly reflected on EBITDA levels. We want to get back to that old 3% to 4% kind of advertisement and sales promotion contribution turnover. Overall, in the year, we expect to hit that kind of a number.
- Manish Shah:** Sir, but in this quarter, you told it was 6%, right?
- Gaurav Poddar:** In this quarter, yes, it was roughly 6%. This is the festive season and so the spends are not equally divided in the four quarters.
- Manish Shah:** Sir, what kind of sales, what kind of advertising and promotions these are or discount to distributors or any other promotions like?
- Gaurav Poddar:** These are a combination of consumer advertisements, where it is television and other such advertisements on consumer media as well as conferences and dealer distribution meets which we have to do to keep in touch with our dealers and interact with them.

- Manish Shah:** Okay, sir. Sir, another question was that you had told that the revenue will be 3% to 5% more in this year. So, it will be minimum 3% to 5% or there is a chance of more or it should be minimum 3% to 5%, sir?
- Gaurav Poddar:** This is a very rough guidance because we are sitting in half of the year and the market has been weak for the first half. We see some kind of an uptick, so we hope to achieve the best. 3% to 5% is a rough guidance that we can give.
- Manish Shah:** But at least, it should be 3% to 5%, right?
- Gaurav Poddar:** We are hopeful.
- Manish Shah:** Because, sir, previously we had guided for 12% to 13%, but due to this sluggish half year for the total industry, nobody was able to touch their guidance. So, for FY '25- '26, you think that at least we should be coming back to our original 10% to 12% of revenue guidance?
- Gaurav Poddar:** Yes, that is what we are keen to do.
- Manish Shah:** Okay, sir. Sir, another question was regarding this export one, sir. Sir, this last year, we had this won of order of INR85 crores and 80% of that got executed in the second quarter. Sir, and you told that, the orders for the uniform will come, but this kind of a big order is less expected. It is only for guidance for this year or next year we can once again get this same kind of orders?
- Gaurav Poddar:** This is generally due to a pent-up demand after COVID that such a large order was executed. We are keen on growing that kind of business. So, as, and when they come, we are exploring and trying to get orders.
- Manish Shah:** Okay, sir. Thank you so much for answering all the questions. Thank you so much.
- Gaurav Poddar:** Thank you.
- Moderator:** Thank you. We take the next question from the line of Sahil Bajoria, an investor. Please go ahead, sir.
- Sahil Bajoria:** Yes, thank you for the opportunity. So, I have a couple of questions. I just wanted to know, what is the current working capital scenario?
- Gaurav Poddar:** The net working capital cycle as of September '23 is 144 days.
- Sahil Bajoria:** Okay. And sir, what is the target that the company wants to achieve?
- Gaurav Poddar:** There is no specific target as such because the working capital cycle we are looking at is a specific number on that certain day. But the business is seasonal and we have to prepare for the oncoming festive season. So, there is a stock build-up that we have to prepare for the coming quarter.

- Sahil Bajoria:** Okay. I got it. Also, sir, I wanted to know, as we can see that sustainable fashion is getting famous among youngsters. So, like any steps that the company is taking towards it, like sustainable fashion?
- Gaurav Poddar:** So, what we spoke about earlier, this Evita and the bamboo blended fabrics that we launched is a sustainable blend of fibre that we want to promote in the shirting business and we have got excellent response from the market for the same.
- Sahil Bajoria:** Okay. And also, sir, like any new design fashion or something that we are doing towards like something R&D or something, we are doing towards new fashion, if you can give any perspective towards that?
- Gaurav Poddar:** We are in the fashion business and creating fashion is an ongoing process, a daily process. We have our sampling units and machines in our factories where we churn out many, many designs in a day. And, since it's a fashion business, we are continuously innovating and releasing new designs and fabrics to the market.
- Sahil Bajoria:** Yes, okay. I got it. Thank you so much, sir, for the perspective.
- Gaurav Poddar:** Thank you.
- Moderator:** Thank you, sir. The next question is from the line of Marshall, an Investor. Please go ahead, sir.
- Marshall:** Yes, my first question is regarding this premiumization. We can see that our garment portion is only 17%. At the same time, you also mentioned that like we had a large export order and you also mentioned about this uniform thing in the export market. So in the export market, is it uniform? Are we exporting directly to the end company, the end user, or we are exporting to some importer there?
- Gaurav Poddar:** That particular one-time order was an end user.
- Marshall:** End user, yes. So what I'm saying, sir, like in the Gulf market, especially, there are a lot of workers there. So is the company taking any strategic initiative to directly of course, not one company, but to say across the company, across six countries, so that we can get a large number of garment or you can say uniform export orders?
- Gaurav Poddar:** Yes, we are taking initiatives to strengthen our marketing and based on sustainable margins, then we will take those orders.
- Marshall:** No, but like, see, like, because like generally we go on the like tour to the Gulf market, so we can see that there are a lot of local uniform manufacturing shops. Since the cost of living in those countries is very high. So the company like, because they don't have any equals, they just like sources from the local, this shop manufacturer kind of thing. So they are paying more.
- So, but since you are the manufacturer, you are the like manufacture fabric, so your cost of production for them will be much competitive and much, much lower. So if the company can directly approach to the construction company who are having this like 8,000, 10,000, 5,000

workers, one company, so you know, like we can get a very, very large multiple orders from across the six countries there?

Gaurav Poddar: Sure. Thank you for your comment.

Marshall: Number two, like this, the garment is only 17% and at the same time, we are paying about INR50 crores, we are paying for this processing fees. So in this regard, like, and this is only 20% is our in-house, 80% we are outsourcing. So we can see that, there are a lot of listed companies who are doing mainly business of, this like manufacturing garment. So why don't we just also increase our capacity so that we can reduce the processing charge at the same time, we can go with more thrust to the export market in the uniform business also?

Gaurav Poddar: Okay, we have noted your comments.

Marshall: Okay. Thank you.

Moderator: Thank you. The next question is from the line of Hiten Boricha from Sequent Investments. Please go ahead, sir.

Hiten Boricha: Hello. Yes, thank you for the opportunity, sir. My question is on the working capital as you mentioned, our net debt has gone up by INR26 crores due to working capital. So if you can throw some more light on that on which part of the working capital has gone up. As I'm assuming, it's mainly because of receivable or credit period and all? If you can throw some light on that.

Gaurav Poddar: Net debt was about INR20 crores to INR22 crores has gone up to about INR40 crores odd. And so we find that as not a very significant increase in terms of the overall balance sheet size. That's number one. And secondly, on the working capital side, we see an increase in both inventory as well as debtors. Because inventory because you're preparing for the oncoming season and debtors because market has been slightly sluggish.

Hiten Boricha: Okay. Sir, you mentioned our current working capital is around 144 days. So this is the normal or it will further come down in coming years as a post festive season?

Gaurav Poddar: We expect by March for it to come down.

Hiten Boricha: By how many days, sir?

Gaurav Poddar: Very difficult to give you an exact number of days, but it will definitely come down by March.

Hiten Boricha: Okay. Thank you, sir.

Moderator: Ladies and gentlemen, due to time constraints, we would like to end the conference. I would now like to hand the conference over to the management for closing comments.

Gaurav Poddar: Thank you everyone for attending the call today. Wish you all a very happy Diwali and a prosperous new year ahead. Thank you very much once again.

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