Siyaram's

SIYARAM SILK MILLS LIMITED

19th May, 2025.

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**

<u>Sub: Transcript of Analyst / Investor Meet.</u>

In terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed is the Transcript of the Earnings Conference Call held on 14th May, 2025.

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

Digitally signed by William Fernandes
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Company Secretary

Encl : a/a

"Siyaram Silk Mills Limited

Q4 FY '25 Earnings Conference Call"

May 14, 2025

MANAGEMENT: MR. GAURAV PODDAR – PRESIDENT AND EXECUTIVE DIRECTOR – SIYARAM SILK MILLS LIMITED
MR. ASHOK JALAN – SENIOR PRESIDENT AND DIRECTOR – SIYARAM SILK MILLS LIMITED
MR. SURENDRA SHETTY – CHIEF FINANCIAL OFFICER – SIYARAM SILK MILLS LIMITED
MR. PRAKASH DALMIA – PRESIDENT- FINANCE – SIYARAM SILK MILLS LIMITED

MODERATOR: MRS. AYUSHI GUPTA – MUFG INTIME INDIA PRIVATE LIMITED

Moderator: Ladies and gentlemen, good day, and welcome to the Siyaram Silk Mills Limited Q4 and FY '25 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 the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Ayushi Gupta from MUFG Intime India Private Limited. Thank you, and over to you, Ayushi.

Ayushi Gupta: Thank you. Good afternoon, ladies and gentlemen. I welcome you all to the earnings conference call of Siyaram Silk Mills Limited to discuss the Q4 FY '25 business performance. 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. Prakash Dalmia, President Finance.

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, Gaurav sir.

Gaurav Poddar: Good afternoon, and a warm welcome to everyone joining us today, and thank you for being part of the Q4 FY '25 Results Conference Call. I hope you all have had the opportunity to review our financial results and investor presentation, which have been uploaded to both the stock exchange and our company website.

Siyaram has built a legacy of excellence by seamlessly blending timeless tradition with contemporary innovation. This commitment is reflected in our high-quality fabrics and garments and forward thinking designs, which have helped us establish a strong presence in the market. We are uniquely positioned to offer versatile and timeless styles suitable for every occasion. Our diverse product portfolio showcases our dedication to craftsmanship, style and adaptability, positioning us as a trusted market leaders.

In Q4 FY '25, the overall consumer demand environment remained mixed. The tailwinds from the festive and wedding season in Q3 extended into January but gradually moderated into the following month. The retail industry is expected to grow, supported by income tax relief that is likely to boost disposable income, expectations of easing inflation and growing middle-class population.

We believe consumer confidence will improve, paving the way for a gradual recovery in discretionary spending in the coming quarters. The Indian consumer has evolved significantly over the years, increasingly seeking quality products, value for money pricing and easy availability. At Siyaram, we are well prepared to meet the changing expectations.

As highlighted in the previous quarter, we have expanded beyond our core fabric business by launching 2 new brands: ZECODE, which is focused on fast fashion; and DEVO, which is focused on ethnic wear. This strategic expansion reflects our commitment to staying aligned with shifting consumer preferences and dynamic market trends.

Starting from second half of FY '25, we have successfully opened a total of 19 stores: 12 ZECODE stores and 7 DEVO stores. During FY '26, we intend to open about 35 new stores across both brands. We are actively ramping up our marketing efforts to support the growth of our direct-to-consumer business. To drive stronger consumer engagement, we have started hosting small localized in-store events and holdings.

We are pleased to share that the Board of Directors has approved a total dividend INR12 per share o with a face value of INR2 each for FY '24-'25, amounting to a total dividend payout of INR54.4 crores. This reflects our continued commitment to delivering value to our shareholders and highlights the company's stable financial performance and confidence in future growth.

Additionally, I'm pleased to report that we have commissioned captive rooftop solar power, generating approximately 50 lakh units of electricity across all our manufacturing units as of FY '24-'25. We remain committed to sustainability, and we'll continue to explore further avenues to increase our use of green energy.

As we look ahead in the long run, we remain focused on healthy margins in spite of an increase in spend towards new store opening and increased marketing for all our brands. Our approach is designed to capitalize on the opportunities emerging from a stabilizing economy and a rising consumer purchasing power.

With the continued emphasis on productivity, efficiency and profitability, alongside continuous improvement in our products and service, we are well positioned to enhance stakeholder value and drive the next phase of growth.

Thank you for your trust and support. Now I would like to request our CFO, Mr. Surendra Shetty, to share highlights of the financial performance. Thank you.

Surendra Shetty: Thank you, Gauravji. Good afternoon, everyone. Let me take through our standalone financial performance for the fourth quarter and full year financial year '25. Our total income for the quarter 4 financial year '25 stood at INR750 crores as compared to INR653 crores in the same quarter last year, quarter 4 financial year '24, showcasing year-on-year increase of 14.8%.

For the financial year '25, total income reached INR2,296 crores, up from INR2,125 crores in financial year '24, reflecting a year-on-year growth of 8%. Our revenue mix comprised of Fabric at 81%, Garments at 13% and Others at 6% in the financial year '25. We are pleased to report EBITDA of INR125 crores for the quarter financial year '25 compared to INR112 crores in the quarter 4 financial year '24, reflecting a year-on-year growth of 11.5%.

The EBITDA margin for the quarter stood at 16.7%. For the financial year '25, EBITDA stood at INR353 crores as compared to INR322 crores in the financial year '24 with a year-on-year increase of 9.4%. EBITDA margin for financial year '25 stood at 15.4%. Furthermore, our profit after tax for the quarter stood at INR73 crores with a PAT margin of 9.7%. For the financial year '25, PAT stood at INR199 crores compared to INR185 crores in the financial year '24, marking a 7.6% year-on-year increase.

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

Moderator: The first question is from the line of Priti Agarwal from SK Associates.

Priti Agarwal: My first question to you is given the challenges of opening new stores at a rapid pace in the current environment, how do you plan to shift your focus towards driving like-to-like growth? What strategies are you implementing to ensure that existing stores are performing optimally and contributing to overall growth rather than just relying on new stores opening?

Gaurav Poddar: Thank you for your question. So as you know, this retail business that we recently started, both DEVO and ZECODE, have been started from the second half of last year. So we are still in the the first phase of expanding our stores. Like-to-like growth will start coming in only towards the end of the year or maybe next year. At the moment, we are starting to open, in a phased manner, our first set of stores.

We've got 19 totally so far, and we continue to open more in this year. And of course, the focus will also remain on business operations and not just growth from new store openings, but making sure that these stores that we have already, we start to get more better operational metrics from them.

Priti Agarwal: Okay. And my second question is what was the strategic rationale behind choosing the COCO model for your fast fashion and ethnic wear retail stores? How do you believe this decision will impact scalability and profitability in the long run? And additionally, are the stores opening concentrated in premium locations?

Gaurav Poddar: So to answer the first part about company-owned company-operated. So the company has a strong network of dealers and retailers across the country through our traditional business channels of Fabric as well as Garment. However, for this new business, we decided to open company-owned showrooms.

The primary reason for that was to test out the market conditions and being able to control the journey from opening the store, running the operations, as well as selling these products and getting a sense of the consumer tastes and preferences. We believe that in the initial stage, COCO format is very important so that we are able to showcase and test for ourselves, operationally improve and then showcase the operational metrics for the brand.

And eventually, a franchise route may follow. The faster scale of expansion obviously comes with a franchise route, as you already know. But that is at a later stage, once there is performance in the business and something to prove for an investor to put money in. The second part of your question talked about locations of these stores.

So as a strategy, we have followed a cluster approach, where in both DEVO and ZECODE, we've identified particular areas where we want to open these stores. So DEVO, we started in Delhi and UP, basically North India, and we'll continue to expand in North India, which are premium locations as well as all kinds of locations that we get a good footfall in, which might be malls or high streets.

As well as for ZECODE, we have started looking at Karnataka as a cluster, and we'll continue to focus on South India with again Bangalore being the primary hub and then Tier 2 cities around Bangalore to support these stores.

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

Dixit Doshi: If you can broadly touch upon some of the key metrics, like for the ZECODE and the DEVO, what kind of square feet we are currently operating and per store sales or per square feet sales, and if you can explain?

Gaurav Poddar: So both ZECODE and DEVO follow very different business models. ZECODE is in the fast fashion business, where we sell men's, women's and kids apparel at a very value segment in the fast fashion business. This model, when we started initially, we experimented with two different store size models.

One was approximately 4,000 to 6,000 square feet, which was like a small box, and the larger one was between 7,000 to 10,000 square feet. So in the last year, we have experimented with both these formats and increasingly found that there is a little bit better performance in the larger box format. So , we will be looking at more on the 7,000 to 10,000 square foot kind of store size.

Within DEVO, we are at this ethnic wear space mid- to premium segment for men's. We identified a store size between 2,000 to 4,000 square feet, and that is going to be the size that we'll continue to open. More than that, the sales parameters and the performance, operationally, it would take a few more quarters to actually start getting into those numbers because the stores are very new.

We've only seen about 4, 5 months of sales in very few of the stores, and we would ideally wait for a few more quarters to talk about operational performance.

Dixit Doshi: Okay. But can you broadly say like how was your experience? I mean, the performance are below your expectation or above your expectation?

Gaurav Poddar: So in general, for both the brands, we are very excited about the business, and we've received very positive feedback for the products and for the way we've positioned the brands in the market from the consumers. There are a lot of feedback that we receive on a daily basis, and there's a lot of enthusiasm in the team with the feedback that has been received so far.

Dixit Doshi: Okay. . Yes, that's it from my side. And yes, one more question. So these margins, what we have reported for the consol numbers, this must be having some losses from these 2 businesses, ZECODE and DEVO. So going forward, now we are expanding more next year, so do you feel that still we'll be able to maintain these kind of margins?

Gaurav Poddar: So we have an indication , as you rightly mentioned, for last year, it was only a matter of, I think, 5, 6 months when we started opening the stores, and the numbers were very, very small in that sense. But the expansion will take more shape in this year. And of course, there are going to be some losses from the new business, but we are confident of our traditional business. And we hope to maintain this 14% kind of number, plus or minus, for this year as an EBITDA margin.

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

Naitik: Sir, my question is when we look at ZECODE and DEVO, now I understand you cannot give much of color on revenue. But what I wanted to understand, is this assumption correct that majority of the growth in garmenting for the past 2 quarters would be attributable to these retail operations that we are doing? Or there is growth ex of these retail operations also?

Gaurav Poddar: So these two new retail formats contribute to very little of the top line in the last year. So I think the growth is more contributed to the traditional business rather than these 2 new formats.

Naitik: No, sir, I'm asking specifically only for the Garments segment revenue where we have seen growth in the last 2 quarters. I'm not talking about the total top line. I understand this would be the numbers would be very low for any growth in the top line, but I'm asking for Garment segment revenue?

Gaurav Poddar: So there is also growth in the traditional business. As I mentioned, these 2 businesses are relatively new, and store opening also has been a gradual phase-wise manner, where there have been so many openings in March as well, where not even a month of sales has been recorded. So the growth has been in the traditional side.

Naitik: Okay. Sir, my next question is can you give us some sense on the average selling prices or price ranges for both these formats?

Gaurav Poddar: So this average selling price as a single number is an incorrect way of measure. Also, it's very early because based on location, the kind of product mix changes and the price range changes. But I can tell you the basic price range and the philosophy that we try to follow.

So for example, in ZECODE, everything is priced under INR999, which is in the value segment of fast fashion. And within DEVO, it is a mid to premium segment. So for example, kurta pajama which should be probably the highest selling category in terms of volume, would be anywhere between INR2,000 to INR11,000, INR12,000 of MRP.

Moderator: The next question is from the line of Dishant Jhaveri from ABC Capital.

Dishant Jhaveri: See, I just have a couple of questions. Given the demand in the industry has been slow recently, so how do we expect the first half of this year to unfold for both the apparel and textile sectors? And what are the key challenges that you foresee and how do you plan to navigate these in order to maintain growth in performance? And are there any specific strategies or adjustments you are considering to adapt to this whole uncertain environment?

Gaurav Poddar: So see, demand has been slow generally. And if you look at the performance of the company, that's why we give an overall yearly guidance. We don't give a quarterly or half yearly guidance because there is a significant difference in quarterly performance of our company, if you look at the historical performance as well.

Quarter 1 has generally been the weakest quarter of all four. And that is how the seasonality works out. So we look at an overall year. In guidance, we continue to be optimistic about the performance.

In terms of how we navigate these challenges, In the last year, we had a stated objective of spending about 4% to 5% of our budget on advertisements and promotions, which we achieved that number. And we are very proud to say that, that helped the brand stabilize and become more popular within the masses.

So advertising and organizing and interacting with our dealer network on a constant basis to understand market feedback and being close to the market in terms of what's happening in the fashion business is something that we will continue to do to be able to meet the demand and meet our targeted growth.

Dishant Jhaveri: Okay. Another question would be that, sir, initially, we had planned to open around 30 new stores for the retail brands in FY '25, but we were only able to open 19 instead, right? I just wanted to know, could you elaborate any reasons for the delay in the store openings?

Gaurav Poddar:

Gaurav Poddar: Yes. So I think we started opening towards the end of October, early November, and we had envisioned to open 30 stores across both formats. In the December quarter when we had the call, we announced that we'll taper that down to about 20. Although we have signed these 30 stores, but there was a delay in opening the stores focused in North India and Delhi, which had some grab issues. Then there were also some other construction issues, which we got hand over late.

So there have been several issues on the construction side, where possession has been delayed, which has led to a delay in these stores. But the balance stores will be completed in the first half of this year. And additionally, we'll be opening more. So apart from the 19, we've targeted to open totally 35-odd more stores this year.

Dishant Jhaveri: So the 19 would be excluding from the 35, right?

Gaurav Poddar: Yes, 19 plus 35.

Dishant Jhaveri: 19 plus 35. So sir, another question, actually, I'm not sure if this has been already spoken on the call, but can you ju st share some insights into the performance of these stores such as revenue per store or footfall and consumer experience?

Gaurav Poddar: Yes. So I mentioned earlier, it's too early to talk about operating numbers and revenue because it's so nascent. Some of the stores have not even seen a full month or 2 months even. But the consumer experience is something that we are very focused upon, and there are some insights that we are continuously getting based on the different kinds of stores that we've opened. And we are trying to still identify the consumer preferences based on, for example, in ZECODE had 2 different size of stores. So we are trying to understand which one the consumer attracts to more.

So this kind of insights we're continuously looking at. But the overall response has been very positive, and we are excited on this new journey for the company and are confident that this will yield positive results.

Dishant Jhaveri: Thank you so much, sir. Another, I just have a couple of more questions, just one or two. Anything on the revenue contribution side from both these retail brands?

Gaurav Poddar: So it's been very new and there is a very minimal contribution to the revenue in the first year. In this financial year, there will be some significant revenue that will come in. But it is too early to talk about this because it is so new.

Dishant Jhaveri: And sir, any plans to increase the store area for either of these 2 brands to drive growth and enhance our customer experience?

Gaurav Poddar: As I mentioned in the ZECODE format, where we tried with these 2 different formats, we are experiencing a better response from the larger box stores, which are between 7,000 to 10,000 square feet. So we are trying to focus more on this segment rather than the smaller one. Other than that, the overall consumer experience, we believe that we keep on upgrading to give a better experience to the consumer.

Dishant Jhaveri: Okay. Thank you so much. That's it from my side. Thank you so much.

Moderator: The next question is from the line of Nirav Savai from ABAKKUS. Please go ahead.

Nirav Savai: Yes, thanks for the opportunity, sir. My question is on the capex side. We have been guiding about 35 new stores. So what will be the capex behind retail? And what would be the capex behind the core Fabric business for FY '26 and '27?

Gaurav Poddar: Sure. So generally, we follow an asset-light model. And for the new stores, we plan to open about 35 stores this year, and the capex planned for these 35 stores will be approximately INR50-odd crores. Other than that, the traditional business will have a capex of about INR40 crores to INR50 crores, which is regular maintenance capex.

Nirav Savai: Okay. And as far as the Indian AS is concerned, you see the fourth quarter, the interest and the depreciation cost has gone up…

Gaurav Poddar: Yes.

Nirav Savai: Which will be largely attributed to the rental part of the cost side. So how do we see that progressing in '26 with new stores coming in, on an annual basis for FY '26?

Surendra Shetty: For FY '26 stores yet to be opened and that Indian AS has to be a part. But last year, it has affected to depreciation of INR5 crores, whereas the increase in the depreciation and INR1.5 crores in the interest.

Nirav Savai: Okay. So there will be increase in both these line items as well going forward.

Surendra Shetty: Yes. When the stores are opening, then this will be passed in the current year.

Nirav Savai: Right, sir. And any guidance which you would like to share for FY '26 with core business, as well as retail, everything put together, what can be the revenue growth?

Gaurav Poddar: We are estimating a top line growth of about 10% to 12%, which is everything put together, and with an EBITDA guidance of approximately 14%.

Nirav Savai: Right. That's it from my side. Thank you very much.

Moderator: The next question is from the line of Madhur Rathi from Counter Cyclical Investments. Please go ahead.

Madhur Rathi: Thank you for the opportunity. Sir, I wanted to understand regarding this 14% margin guidance for FY '26. Sir, what would be the margin for our base business and what would be the EBITDA losses that we expect from opening these new format stores? And similarly, sir, what was the losses that we incurred from these segments in H2 FY '25?

Gaurav Poddar: So we are giving an overall guidance. We generally do not give breakup. But generally, the new business is going to make losses to the tune of maybe 100 to 150 basis points. But these are our approximations based on how the year plans out and the timing of the store openings. So it's all in a very nascent stage, but these are rough guidelines that we can give.

Moderator: Next question is from the line of Darshika Khemka from AV Fincorp.

Darshika Khemka: Most of my questions have been answered. But just reiterating a little bit on the entire capex that we have planned. So this INR50 crores that we have guided to the new 35 stores, this does not include the 19 stores that you're talking about that will also be opened, right? So have we already spent that capex in this year itself for those 19 stores that have gotten pushed to the next year?

Gaurav Poddar: 19 stores we have already opened in the last year. And we've committed for another 35 stores that we target to open in this year. And this capex of INR50 crores is targeted towards the 35-odd stores that we plan to open.

Darshika Khemka: I'm sorry, just a little clarification here. We had targeted 30 stores, which came down to 19, which was the actual number. And in FY '26, you're going to open just 35 stores.

Gaurav Poddar: That's right.

Moderator: The next question is from the line of Devanshi from AS Capital.

Devanshi: So I wanted to ask the company has made a remarkable reduction in its debt. Could you elaborate on the key strategies and initiatives that contributed to this significant decrease?

Gaurav Poddar: As a company, we've always been very prudent on the balance sheet side of things, and we've made a conscious effort in the last year to reduce our debt. Our free cash flows that we generated over the last year, we consciously and intentionally used that to overall reduce debt. And going forward, we'll always be prudent in how we manage our free cash flow.

Moderator: The next question is from the line of Rajiv Bharati from Nuvama.

Rajiv Bharati: Sir, in your previous call, you've mentioned that the capital employed will be close to INR1.5 crores per store, right? And now once the store size, you're looking for is 10,000 square feet, will you increase the capital employed requirement here?

Gaurav Poddar: So we believe that is INR1 crores to INR1.5 crores as indicated earlier, should suffice.

Rajiv Bharati: And how much of this is the working capital here?

Gaurav Poddar: So this does not include any working capital. This number, as estimated, includes capex as well as rental deposits.

Rajiv Bharati: And let's say, when we did the budgeting side, what is the revenue to rental ratio, which we are assuming in this model on a, let's say, on a base case?

Gaurav Poddar: See, budgeting and all these things are continuously done internally, but it is very difficult to give you a number like this because store openings are a very dynamic thing which keep changing based on the possession of stores, handover, completion of projects, as well as timing, how we want to time it based on seasonality. So I would refrain from giving that kind of number, but we always try to be operationally efficient.

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

Dixit Doshi: Any timeline you would like to give regarding this issuance of cumulative nonconvertible redeemable preference shares?

Gaurav Poddar: So when we announced it last year, we had announced that there is a regulatory process that we have to follow, and we are waiting for approvals as yet. Approximately from that time, we had estimated this timeline to be about 9 to 12 months, which is sometime this year. But we are still waiting for these approvals. And once those come in place, then we can start the process from there, and we'll keep you updated.

Dixit Doshi: Okay. But do you feel still 6 months or even more?

Gaurav Poddar: It's difficult to say that because ball is not in our court. But I would say, 9 to 12 months from that time is what we had envisioned. And at the moment, we would like to stick with that kind of estimation.

Moderator: The next question is from the line of Madhur Rathi from Counter Cyclical Investments.

Madhur Rathi: Sir, I just wanted to understand what is this INR143 crores capex on property, plant and equipment that we have done for this year?

Surendra Shetty: That is mainly for the installation of looms and the balancing equipments. And we have also installed solar energy facilities and certain investments on land and building.

Madhur Rathi: Okay. Sir,

Surendra Shetty: That is the major expenses.

Madhur Rathi: Yes, sir. So what was the investment in solar?

Surendra Shetty: Solar is -- you can come back.

Madhur Rathi: Sir, on the solar end, sir, going forward, what would be the minimum IRR payback we'll consider before doing any new capex or investments?

Surendra Shetty: Minimum, we look into the payback period. And accordingly, we make internal study on that, and we work.

Madhur Rathi: Sir, so what would that period be?

Gaurav Poddar: See, in the solar project, payback is one thing. There is also a commitment towards sustainability. And we have been able to generate about 50 lakh units this year. Try to evaluate what else we can do in terms of promoting green energy. There has been a significant saving in the cost of unit generation, and we will continue with these metrics going forward.

Madhur Rathi: Got it. Sir, just a final question from me. Sir, what was the investment that we have made in solar? And sir, what is the cost savings that we are incurring from that?

Surendra Shetty: The total investment this year, we did around INR8 crores.

Madhur Rathi: And what is the cost savings from that, sir?

Surendra Shetty: Cost saving is approximately INR3, INR3.5 per unit.

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

Naitik: Sir, my question is last year, we booked approximately INR50 crores to INR60 crores of grants and subsidiaries received in other income. So I just wanted to understand what is the total amount of this? And what do we expect to book in the coming years?

Surendra Shetty: You're talking about the capital subsidy, correct?

Naitik: Yes. Capital subsidiary and grants. There are 2 items we've booked.

Surendra Shetty: The grant is the entry we pass because of the Ind AS. So if you are importing certain things without paying custom duty under the various schemes, so under the Ind AS, we have to pass the entry. As far as the capital subsidy is concerned, total INR26 crores last year we issued.

We are accounting as and when there is a certainty about receiving those grants. So accordingly, we did. Now in future also, whenever there is an instance of getting that particular -- around INR6 crores to INR7 crores are pending. As and when we get the grant permission, we will account it.

Naitik: But sir, what is the total amount that you're eligible for?

Surendra Shetty: I said INR6 crores to INR7 crores are there as on today.

Naitik: So nothing major, not a significant amount.

Surendra Shetty: Yes.

Naitik: Okay. Got it, sir. And sir, the thing you mentioned about just being an Ind AS accounting entry. So we actually received this cash or how does it work, I don't understand.

Surendra Shetty: If you are importing certain machineries under concessional duty of customs, so until that time you discharge your responsibility, that liability, we'll have to pass these entries and show it as the asset side and liability side. And every year, we'll have to provide the depreciation on that. That particular under the Ind AS we have to pass.

Moderator: The next question is from the line of Hitesh Popat, an individual investor.

Hitesh Popat: Thank you. And congratulations for the good set of numbers. My first question is related to investment of about INR200-plus crores we have mentioned in ours. So may I know the details?

Surendra Shetty: The majority of the investment, we've made in the debt, the short-term liquid. As and when we require funds, we can remove. And hardly any equity linked around less than 2% of that we have invested. So majorly in the debt instruments.

Hitesh Popat: So we can consider it as a cash when needed.

Surendra Shetty: Cash as and when we require. Our business is a seasonality business. So we may be requiring the cash when the business is doing well. If you have seen the fourth quarter also, there is a working capital increase is only in the fourth quarter. So we can remove and use it for the working capital.

Hitesh Popat: So we have some borrowings. So can we take it that way that we are almost net debt-free or similar situation?

Surendra Shetty: On short-term borrowing, we are doing it. Whenever we are getting in a very cheaper rate, we will be doing and whenever the company requires that, we are doing it. There is reported a net debt number of about INR22-odd crores, yes.

Hitesh Popat: Okay. Great. Another would be there is an increase in trade receivables. So is it a routine? Or is there anything to worry?

Surendra Shetty: Routine only. Majorly the fourth quarter, the sales were good. So therefore, the debt is a little bit on the higher side.

Hitesh Popat: So it must have been spilled over in this -- we must be receiving during this quarter.

Surendra Shetty: Yes, yes.

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

Gaurav Poddar: Thank you so much for joining us on the call.