



Chaman Lal Setia Exports Ltd.

(A Govt. Recognised Star Export House)

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An ISO 22000 : 2005
Certified Co.

Dated: 08.11.2024

To

The Secretary
BSE Ltd.
Corporate Relationship Dept.,
14th floor, P. J. Tower,
Dalal Street, Fort
Mumbai - 400 001

Scrip Code – 530307

The Secretary
National Stock Exchange of India Ltd.
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex,
Bandra (E),
Mumbai - 400 051
Stock Code - CLSEL

Sub: Transcript of the Analyst/Investor Call Held on 05.11.2024

Dear Sir,

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find the attached transcript of the Concall held on 05.11.2024.

Thanking You,

Yours faithfully,

For Chaman Lal Setia Exports Limited,

(Kanika Nevtia)
Company Secretary
ACS:- 29680
Encl: As above

Chaman Lal Setia Exports Ltd (CLSEL)
Q2 & H1 FY25 Post Earnings Conference Call
November 5, 2024 02:00 PM IST



CHAMAN LAL SETIA EXPORTS LTD

Q2 & H1 FY25

POST EARNINGS CONFERENCE CALL

November 5, 2024 02:00 PM IST

Management Team

Mr. Rajeev Setia - Joint Managing Director & CFO
Mr. Ankit Setia - Executive Director

Call Coordinator



Strategy & Investor Relations Consulting

Presentation

Vinay Pandit:

Ladies and gentlemen, I welcome you all to the Q2 and H1 FY '25 Post Earnings Conference Call of Chaman Lal Setia Exports Ltd. Today on the call from the management, we have with us Mr. Rajeev Setia, Joint Managing Director.

As a disclaimer, I would like to inform all of you that this call may contain forward-looking statements, which may involve risks and uncertainties. Also, a reminder that this call is being recorded.

I would now request the management to brief us about the business and performance highlights for the quarter, the growth plans and visions for the coming year, post which we will open the floor for Q&A. Over to you, sir.

Rajeev Setia:

Good afternoon, and I wish you happy Diwali. It has just gone. You all may have enjoyed your Deepavali. So, the results of the company are with you. The company has grown its revenue, which went up to ₹732 crores for six months of the current year. And our plans are to go up to ₹1,500 crores. ₹1,500 crore is my positive target that I conveyed in one of the NDTV coverage.

Actually, you see, in our industry, a lot of small units have come new. Actually, Indian people work with a herd mentality. If somebody is earning, then one by one new people start coming. So, we have an advantage of these people. They manufacture and they sell to us, because our company is apart from manufacturing, we are mainly into traded business. We buy the rice as per our own satisfaction and specification, which we require for our exports. And then we reprocess it through air cleaning, stone cleaning, metal detection and SORTEX cleaning and then we pack in our label as well as private level of the customer, which is our main business stay.

Suddenly, we feel the capacity has increased for us. These people, most of them are approaching us because our company makes payment in three to four days for every single purchase and deduct 2% cash discount. And when you make payment timely and you do get cheaper also. So, this is how the company model is going on, multiple buying paddy and pay on that due date, not to pay any interest, and buying rice with the cash discounts and better prices.

And as regards sale is concerned, it's totally diversified sale with a smaller consignment, smaller means 5, 10, 20 containers, not like

5,000, 10,000, 20,000 tonnes. We don't do larger sales. And the model is multiple customers in multiple countries. Our outreach is now above 90 countries. And even in the single country, we have 20 buyers, 30 buyers. In U.S., we have 35 buyers plus. Canada have more than 20 buyers. And this is how our buyers in all countries wherever I'm selling, because I give my brand to one company, make distributor. Maharani is in around 40 countries. And rest, we do private label in all kind of packing, 1-kg, 5-kg pouch, jute, nonwoven, whatever the customer likes, we do as per his desire or as per requirement and place the cargo.

We housed up every consignment in our factory with very meticulous quality controls. And it is opened at the gate of the customer outside India. He opens and download, unloads the cargo and starts selling. Now the question will arise, it's a different brand. It's our brand or the buyer brand. Buyer also, you see, most of the people are Indian, Pakistanis, Irani, Iraqis. And now even the Spanish and the Britishers, these kind of people have also started entering into the rice people, in U.S. also. And when they start their brands, their label, they have, let's say 500 smaller customers or household supply also.

Once they start their brand and it goes well, they don't take chance of going to another person. I think, once the reliability has to come, then it continues. I have customers doing business for 20, 25, 30 years with me, and new people also after the test of one or two consignments, they stick to us. They have only one word, keep up the quality. Quality should be fine. And this brand becomes their baby and they promote that. This is how our sales go on.

You see, there is volatility also in the Rice business. I should be very candid with you. The last year, the prices of rice had come down by ₹15 to ₹20 a kg, per kg. That's very huge amount for any business. We have been buying and selling simultaneous. But still when such huge falls come, the possibility of losing money or selling at the breakeven, that does come. And it happened also, because the sales have gone up and the profitability has not gone up in that way.

But I'm very happy we have found new customers, new placements, new sales outlets. And future, this year in particular, the prices are very good, very reasonable and we have a readymade sale, customers, and we'll be able to sell at a very good price profitably. I have explained the model. We are manufacturing also. We have packing units. We have packing unit in Gandhidham also at the port. A new unit is coming up in Mundra, which will be workable in two, three

months. And in Karnal factory, we are putting up three more units of SORTEX cleaning. So, demand and supply will be matching, because right now, demand is more.

With that, I close, and request your question-and-answer.

Question-and-Answer Session

- Moderator:** Thank you. All those who wish to ask a question may use the option of raise hand. If you're not able to raise hand you can put a question in the chat box and we'll invite you to ask the question. We'll take the first question from Gaurav Singh. Gaurav, you can go ahead.
- Gaurav Singh:** Sir, can you give us an update on the new packaging unit? Has it been commercialised?
- Rajeev Setia:** There are three units are coming. Already machinery has come. Installation is being taking place. And it will take two to three months, one or two months. One by one, they will start.
- Gaurav Singh:** Okay. So, the first one will be coming in the next two to three months, right?
- Rajeev Setia:** Should be in a month, maximum.
- Gaurav Singh:** Okay. And the other two?
- Rajeev Setia:** I mean, simultaneously work is going on. Something we will purchase, let's assume 15 days or one month earlier, then next and next.
- Gaurav Singh:** Can we assume that all the three units will be coming in the next three months?
- Rajeev Setia:** Definitely, all of them. And they will be working also, not only coming.
- Gaurav Singh:** Okay. And what is the total CapEx amount that we are investing in these units?
- Rajeev Setia:** Not very high. It is ₹1.50 crores to ₹2 crores per unit.
- Gaurav Singh:** Okay, thank you sir. That was all from my side.

- Moderator:** Thank you. We'll take the next question from Sakshee Chhabra. Sakshee, you can go ahead. Sakshee, we're unable to hear you. Anybody else who wishes to ask a question may please use the option of raise hand or put your question on the chat box. We'll take the next question from Piyush. Piyush, you can go ahead please.
- Piyush Patel:** What's your plan on focusing on domestic B2C and premiumisation?
- Rajeev Setia:** B2C and B2B? B2C is only through these online sales, that is going on, gradually growing also wherever repeat orders are coming. So, it will increase in the time to come. And luckily, recently, I was in exhibition in Paris. And on way back, I met some guy. He lives close to me in Gurgaon. And his job is to how to promote online sales. I'm holding a meeting with him next week, and he is suggesting how to improve your business. So, he's come across. He's in touch with all big houses, like Amazon, Flipkart, Blinkit, everyone. He will help us.
- Piyush Patel:** My next question is, can you explain the phenomenon of inventory move and cash debt, cash and cash equivalents and this net debt move in H1?
- Rajeev Setia:** You are not clearly audible. Can you repeat your question slowly?
- Piyush Patel:** Inventory movements, like your inventory increase in H1 and H2...
- Vinay Pandit b:** I think he's trying to understand in H1 and H2, what we have shown in the working capital slide, how does the phenomenon of inventory and debt move?
- Rajeev Setia:** If you take into account the quarterly sales, then you can make out how much inventory moves.
- Piyush Patel:** Okay, thank you.
- Moderator:** We will take the next question from the chat window. The question is from Mr. Gaurav Singh. I think he's already asked this question. We'll move to the next question, Mr. Veer. How much additional capacity is coming from the three new units?
- Ankit Setia:** Hello, Chacha.
- Rajeev Setia:** Ankit, you are in?
- Ankit Setia:** Yes, I'm in.

- Rajeev Setia:** Ankit, you answer the question, three new units, which will be coming in one to three months.
- Ankit Setia:** Yes, I'm going to answer it. Okay. So last meeting, we shared about setting up three new units. And I think by February or January, all three units will be operational. So, by January end, all three units will be operational, and we will be sharing a complete video of all the three units in action.
- Rajeev Setia:** And Ankit, you have forgot, one unit is coming up in Gandhidham also...
- Ankit Setia:** Yes, of course.
- Rajeev Setia:** Yeah, they will be four and...
- Ankit Setia:** So that will be an additional unit, coming up in Gandhidham.
- Rajeev Setia:** Mundra.
- Ankit Setia:** Absolutely sophisticated unit coming up in Gandhidham also.
- Moderator:** Ankit, his other part of the question is, what additional capacity will be coming with these three new units?
- Ankit Setia:** Okay. So, you can expect see, if you look at our quarters, we are doing roughly about ₹400 crores, ₹450 crores per quarter. So, with these three units in place, you can expect additional, at least a revenue of ₹100 crores every quarter to start with.
- Moderator:** And what is the total investment in the three mentioned units?
- Ankit Setia:** As far as land is concerned, land is already present with the company. The warehousing also is ready. If strictly talking about the machinery, I think one unit will not cost more than ₹2 crores, would be less than ₹2 crores. So, we're not talking much money. It's absolutely nothing with the kind of revenues, which will be generated.
- Moderator:** Sure. We'll take the next question from Purav. Purav, you can go ahead. Purav Patel?
- Purav Patel:** Yes. I have three questions. The first question is that I was reviewing the export data for FY '23 and '24. And significant portion of our sales

comes from Malaysia and Israel. So, could you comment on the geographic concentration risk associated with these territories and a significant portion of sales coming from these two territories only?

Ankit Setia: Okay, Chacha, go ahead.

Rajeev Setia: Yeah. I'll talk about Israel. I'm wondering because from the distance, we also feel very depressed looking at the fight going on between Israel and Iran and Lebanon, all parts. But when I talk to my Israeli customers, they say we are habitual, these things keep on happening. Here the life is absolutely normal. And now getting that side, let's come to our own part.

We are regularly exporting and instantly getting payments, full. If we did \$300,000 shipment or \$400,000 shipment, on the arrival, next day, we get our money. And we are one of the largest exporters to Israel.

Purav Patel: Correct, sir. So that was the assurance I was looking for since we had a significant exposure to those territories.

Ankit Setia: Also, Purav, I would like to add, where the things are risky, you make more money over there. And there is demand also more over there. As far as Israel is concerned, it's absolutely safe to export rice. Rather because of disturbance, I would say we have benefited because demand is much more what we are supplying right now.

Regarding Malaysia, I would say the Port of Malaysia is used. That is why you're getting confused that rice is going to Malaysia. It is going all over the places from Malaysia. Rice is ending up in Indonesia. It is ending up in Japan. It is going to Australia. Only we use the port because we save on the freights.

Purav Patel: Got it. Okay. So, second question is, I'm tracking a metric, which is directors' remuneration as a percentage of net profit, which was 8.81% for FY '24. And compared to our competitors, this number looks quite high. The competitors' numbers are 3.38 percentage and 1.82 percentage. We had a similar high ratio in FY '23 and FY '22 as well. So, could you clarify the rationale behind the sustained high compensation levels?

And wouldn't a better dividend distribution policy serve better for all the shareholders rather than concentrating benefits among just the promoters?

- Rajeev Setia:** Ankit, I will explain. As regard dividend is concerned, we have given around 10% of the profitability in the last one year and recently dispersed dividend. And your question regarding this remuneration, it is well within the rules. But I don't know how come 2%, 3%, others are taking. I don't know how they're siphoning off the money.
- So, whatever is happening, I just can't comment. We are taking limited money. We have families. We have everything. We need our security also.
- Purav Patel:** Got it. That's all from my end.
- Rajeev Setia:** We trust in the company also. We have deposited money.
- Ankit Setia:** Maybe, Purav, in the future, this percentage will come down.
- Purav Patel:** Yes. Perfect.
- Ankit Setia:** That is possible. It will be reduced, yes.
- Rajeev Setia:** This question was raised by one of the investors in the past. So, we have already decided, wherever it is extra, just take down.
- Ankit Setia:** Our core thinking is that the company should become strong. The company should become financially strong. This is the main idea. That is why we are increasing our sales. We are increasing our productivity so that the revenues go up, more profitability comes in. And your question, I think with time, this percentage will go down on its own.
- Purav Patel:** Perfect. I also find the management team of your company as a very positive thinkers and are trying to grow the business very well. I congratulate you for the results, and all the best for the future.
- Rajeev Setia:** Thank you very much, Mr. Patel.
- Moderator:** Thank you. We'll take the next question from Rajiv. Rajiv you can go ahead, please.
- Rajiv Gaonkar:** Yes. My question is, how should we look at the growth in the last three years? We have seen revenue growing at 20% to 30%. This year, you are indicating around ₹1,500 crores. What do you envisage for the next three years?

Rajeev Setia: Ankit, go on.

Ankit Setia: Okay. Looking at the past, you can see from the past, the sales are growing up. So, the same can be expected in the future also. As of now, I can speak that we have more orders than what we are packing monthly. So, there is a lot of future. There is a lot of scope to grow. But having said that, I would always say, look at the past. Look at the history of Chaman Lal Setia in the past. I think same is going to follow in the future.

Rajiv Gaonkar: Thank you.

Moderator: We'll take one question from the chat. This question is from Mr. Manish Kela. What is the logistics cost in Q1 and Q2 in rupee terms? And how is it compared to whole of last year and Q1 of last year? Asking this, since margins to profits have been impacted, since the logistic cost has been high on account of Red Sea crisis.

Rajeev Setia: I will answer, Ankit. With the Red Sea crisis last year, the ocean freights had gone up. And now from \$5,000, they have already come down to \$2,000. They are coming down. Every single day, they are coming down. So, in many cases, we have already sold CIF and our ocean phase have been factored at the high price, but we're getting more profitability on these things.

Moderator: We'll like the next question from Prashant. Prashant Shah, you can go ahead.

Prashant Shah: Yeah. First of all, congratulations to the team for the excellent results. I have two questions. One is on the inventory. As you mentioned, Rajeevji, that last year in the previous quarter the rice price had gone up. And so, you had to, set times, sell on a cost basis. This year, what is your outlook on the rice crop, the pricing? And with the coming additional production capacity, do you think our inventory level will go up to the same proportionate level?

Rajeev Setia: In this particular year, the crop size is around 15% to 20% higher, and some parts are not evaluated by APEDA, because they are out of GI area, like this MP and Rajasthan and some parts of UP. Our own surveys and from fellow business people, the area under crop has grown up. So, the prices are very, very reasonable as compared to last year. In the Diwali, we have a system of writing the prices of products. I just saw, 97. I wrote for 1121 steam rise last year. And this

year, the same rice old is ₹80, ₹81. So, the new rice is likely to be lower than that or close to that.

So, when our purchases are at lower prices, reasonable prices, our sales prices are more or less fixed all around the world. So, there is a limited chance of coming down. Yes, I can say with the Saudi and Dubai market, because they are closer, they are more competitive, maybe little prices will have to reduce. But most of the part where brands are going as well as our private label, we don't think we need to reduce the prices. Maybe later we do. But the profitability should be very good and sales should be very good at this year. Ankit add.

Ankit Setia:

So, I'd like to add a point that the way we do our business with the model, it suits us where the prices of paddy and rice remain low. It really helps us. This is our model. Because see, we don't like to speculate. We are not that we buy something at ₹30. By the God, it becomes ₹40 and we are making money. We don't work like that. We would rather buy something at ₹20 and have strength to sell it at ₹35 or ₹33. This is the model.

Prashant Shah:

Okay. So aligned to that, I mean, since our capacities are going to go up, we have more orders than we can process. Are we thinking of taking advantage of the lower prices by procuring more rice at the current favourable rates and locking our profitability?

Rajeev Setia:

Yes, we are very aggressive in buying these days.

Ankit Setia:

As of now, we are not even covered with what we have sold. So, we are basically covering every day, because there is a limit of how much rice you can unload, how much paddy you can unload, right? So, we are in the process of covering all that. So, moment we are able to cover what is sold, then this what you're asking will start. Then we will see what is cheaper available. We'll, of course, like to take a position on that also.

Rajeev Setia:

And company has immense funds. At this time of time, we are not a borrower as yet with the bank. We still have our own cash flow. First, we'll buy with that and then we'll start with the bank.

Prashant Shah:

Okay. My next question is, I mean, on the profit and loss, I mean, the earnings statement. Quarter-on-quarter, our sales are more or less the same. But other expenses have gone up from ₹32 crores to ₹41 crores, which is around a 25% jump. If you can throw some more light or

give some more details on why this line item of expense has gone up, that would be helpful.

Rajeev Setia: Look, this administration cost gradually goes up with the market forces, the way the prices are going up. And there is another contribution of ocean freights going high. These are two parts, which I have seen.

Prashant Shah: Okay. Thank you, Rajeevji, Ankitji. And wish you all the best for the coming quarters.

Rajeev Setia: Thank you very much.

Moderator: Thank you. We'll take the next question from Gaurav Singh. Gaurav, you can go ahead.

Gaurav Singh: Ankit just said, the three units will generate ₹100 Cr. So, this ₹100 Cr is combined from all three units or per unit will generate ₹100 Cr revenue per quarter?

Ankit Setia: No, what I'm saying is by adding these three units, let's say, they start by January end, every quarter, at least, there will be an additional of ₹100 crore as revenue, because of these three units to start.

Gaurav Singh: What is the value?

Rajeev Setia: Actually, they will go up. It will go up to ₹150 crores positive.

Ankit Setia: Let us see because we are putting three plants, two plants are dedicated for 5-kilogram packing and one plant is dedicated for 50-kilogram package. So, moment the two plants kick in, these are sophisticated big automatic plants for 5 kilos. So, when they come into full action, the force on the old plants will come, it will get less. And then we will put the older plants on other packaging sizes. Right now, what is happening is a plant which is not fit for 5 kg, even we are putting pressure on that to pack 5 kg. So let us see what happens. Let the plant start first. This is what I would say.

Gaurav Singh: Okay. And one last question. Iran has put a ban on Indian rice for two months. So, will this impact our company?

Ankit Setia: 22nd November, this ban is going to get lifted. There is absolutely no impact. We don't work with Iran.

Gaurav Singh: Okay. And will it put any pressure on the rice price in the Middle East area?

Ankit Setia: No, there will be more consumption. Because once Iran opens up on 22nd November, there will be bigger quantity of exports to Iran.

Gaurav Singh: Okay. That was all from my side. Thank you.

Moderator: There's a question in the chat from Anurag Jain. Could you share the company's vision for the next 5 to 10 years? And how does the company see itself in the long term?

Ankit Setia: I will only say that we will continue to work and grow as we have in the past and our model is to build small, profitable customers all over the world and continue expanding in that fashion. This is my vision for the company. We have a very strong new buyer development team. We travel extensively to all major food shows, all over the world. We will continue to do these things and expand this model even further so that the number of customers worldwide grows and all profitable customers globally buy rice only from Chamanlal Setia. So, by doing less, we can garner higher profits for our investors.

Moderator: Okay. The next question is from Guneet Singh. You are free to answer or not answer this question. Can you share some guidance for FY '26 in terms of revenue?

Ankit Setia: I would again say it is difficult to comment or predict anything. You should look at the history of Chaman Lal Setia. The way it has grown in the past, similar will be the future also. I assure all our investors that we are working extremely hard on the model we are, that only the revenue goes up. That is why we've added three new packing units, one packing unit is coming up in Gandhidham. So, with all packaging units in place, all shipments going even more on time and the quality is perfect, I'm sure the revenues will even go higher in the next year.

Moderator: Sure. We'll take the next question from Mr. VP Rajesh. VP you can go ahead.

VP Rajesh: Yeah. Thanks Vinay. So, congratulations on good set of numbers guys. First question is on the, you said you are putting up capacity in Mundra as well. So, what is the revenue potential for that? And what is the CapEx associated with it?

- Rajeev Setia:** It will be around ₹1.50 crores CapEx. Complete machinery, SORTEX, electric, all is likely to be, because the budget is ₹1.50 crores approx., maybe ₹10 lakhs, ₹15 lakhs left or right.
- VP Rajesh:** So, you don't have to buy land or any other infrastructure.
- Rajeev Setia:** No, no, only machinery part, I'm telling. The construction land is already there.
- VP Rajesh:** I'll see.
- Rajeev Setia:** Yeah, there's no investment on that. And capacity-wise, because over there, I plan to do bigger sized work, not 1 kg, 5 kg. That happens at Karnal only, pouch packing. I will be going for the bigger pack. And I think that will give more than ₹100 crores annual, more than ₹150 crores. ₹25 crores, ₹30 crores, we can do monthly there.
- VP Rajesh:** I see. So, this is in addition to the three...
- Rajeev Setia:** In addition to the three, that's a different place.
- VP Rajesh:** So, three are coming up in Karnal and one in Mundra. So, four...
- Rajeev Setia:** Yes. New one in Gandhidham. There is already one working in Gandhidham, but that is in one leased place. We have limitations to grow business there. So, we are going to our own site.
- VP Rajesh:** So total of basically five units are coming up, right, in the next two, three months.
- Rajeev Setia:** Four are coming up. One is there. Four are coming up, three in Karnal.
- VP Rajesh:** Three in Karnal and one in Mundra, right? Okay. And then last year, in fiscal '24, our debt outstanding was ₹175 crores. And given your commentary just now that you have not borrowed, any idea as to what you're planning to borrow by March with the banks?
- Rajeev Setia:** Normally, this borrowing starts in the month of November, and it should start, yeah, because we still have a lot of funds with us FD are shape in the bank and which we'll utilise in the coming period. And normally, it starts from November, our borrowing, every year. And by April and there, that is exhausted also. Finished payback.

- Ankit Setia:** So maybe the raw material and price, paddy cost is less this year. So maybe the borrowing starts by end of November maybe this year.
- VP Rajesh:** And what are your total limits with the bank?
- Rajeev Setia:** ₹300 crores by HDFC Bank and ₹50 crores with PNB.
- VP Rajesh:** So potentially, you can buy up to ₹350 crores, right? You won't go that far?
- Ankit Setia:** We can buy, but we have no intention of using these loans. And we use them extremely for short terms.
- VP Rajesh:** Okay.
- Rajeev Setia:** And company has no term loan or nothing. We don't owe a penny to the bank today.
- VP Rajesh:** Right.
- Ankit Setia:** So, one thing I assure you, like you guys asked what will be the future of the company in 2026, 2027, I'd like to assure, first thing, we'll be not using any bank money to work all the business of Chaman Lal Setia with our own money. This is a very correct vision.
- VP Rajesh:** No, but you will definitely take seasonal financing to buy that?
- Rajeev Setia:** We do take every year.
- Ankit Setia:** You are right. But I'm saying when you have vision, this will be my vision not to borrow anything from the bank, work on my own money. I know it is difficult when it is season, sometimes the raw material comes at such a low price, you have buyers. They are placing such big orders. So, you need to take money. And that too, the money we are taking from the bank, the rate of interest is extremely low. I think we are paying about 4%. It's not more than that.
- Rajeev Setia:** After summation.
- Ankit Setia:** Yes. So, the final is only 4%. It's on very low side.
- VP Rajesh:** Understood. And then in terms of the margin, right, so given your cost of raw material will be lower this year, so can we expect like low

teens kind of margin next year or maybe at least double-digit plus, like 11%, 12% next year, that is fiscal '26?

Rajeev Setia: '26 is too far.

Ankit Setia: Yeah, it's too far. We can talk about this particular year; the prices of raw material are on the lower side. And that really helps our model.

Rajeev Setia: The quality of rice is very good this year because of good rains. So, I think we'll be buying maximum possible, even I think utilising at least 80% of our payments. I personally feel. Let's see what happens.

VP Rajesh: Okay, all the best. Thank you.

Moderator: Thank you. We'll leave the next question from Rajiv. Rajiv, you can go ahead.

Rajiv: Hello. I have a follow-up question. Can you talk about growing brand business in India? And what's the strategy there? And do you plan to expand your retail and distribution business in India?

Rajeev Setia: Brand Maharani is already in 40 countries. Because it's our endeavour to promote our brands, it should be for every company, not us. If I talk about brand, my first consignment, which went to Singapore in 1982, was also in my brand and second in Dubai was also in Maharani brand. This is our endeavour. But you see, we are getting one distributor in, try to get distributor in every single country. We already have in 39 to 40 countries. But we sell in private label also. That's essential to run the show.

And as regards the local market is concerned, we are presently, if I am candid with you, we are stressing more on the foreign market with new markets are coming up. And the basmati business and Indian food is getting promotion all over the world because even the Chinese food is coming down, Indian restaurants are coming up. And the local people are eating Indian food.

And we are trying to utilise that part. India is with us with a growing population, no problem. We don't want to burn money unnecessarily to get into the market. But when this conducive state will come, we'll definitely enter. We are trying to grow our online business. I'm going to have a big consultant on this issue also, online selling.

- Rajiv:** Okay, thank you for your answers.
- Moderator:** Thank you. We'll take our next question from PA. PA could you announce your name, since your abbreviation is entered.
- Palash Agarwal:** Hello, my name is Palash Agarwal. And thank you for taking my question and wish you a very warm good afternoon. I want to ask you, that your trailing 12 months revenue is already more than ₹1,500 crores. And with new capacities coming up in about one month's time, do you think that there is an upside risk to your revenue guidance?
- Rajeev Setia:** No, no. Repeat your question, I could not understand, please.
- Palash Agarwal:** My question is that in the trailing 12 months, your revenue is already ₹1,500 crores, in the last four quarters, your revenue is already north of ₹1,500 crores, the total sales. And in the last four quarters and new capacity will be coming up in about one month's time. So, will there be an upside risk to your revenue guidance for FY '25?
- Rajeev Setia:** Yeah, because the last year, it was a little less than ₹1,400 crores. Own projection is ₹1,500 crores. It may be ₹1,600 crores also. So, let's see. We are working hard on that.
- Palash Agarwal:** Okay. And what about FY '26? The revenue should be, your previous guidance was around ₹1,800 crores or maybe more than that. So, are we staying on that guidance?
- Rajeev Setia:** The way the business is growing and moving, the way we are getting orders, the way the company is getting international goodwill also, international presence also, we feel we should be able to achieve all what we said or what we project. And company is participating in exhibition or next exhibitions, and we are participating in Chicago, private label packing, private label, it is called, exhibition.
- So, we are one of the largest private label player from India, and it will be the first time we'll be participating there. And it also happens in Netherlands. Maybe the next will take that. Gulfood is coming, which is one of the biggest gear in the concourse. Every business person crosses that area. So, we are likely to get good customers. And then thereafter, Anuga so we are participating in Germany. The more we work hard, more we run, the more we expose, business will definitely come and has to come.

- Palash Agarwal:** Great. Just one more question, and please confirm if my understanding is correct. I understand that whatever rice you will be procuring right now, basmati rice, we'll be aging that for the next six to 12 months and then be selling in over the next financial year. So, should we expect the margins to really expand in next financial year?
- Rajeev Setia:** Look, first thing first, we have no mindset to age the rice. We buy, sell, make money. And we keep on getting rice whole year. And whenever we feel like the prices are stooped down very low, we go for buying and then stock also. This is the business.
- Palash Agarwal:** Okay, thank you so much. That's all from my side.
- Moderator:** Thank you. We'll take the next question from the chat window. The question is from Mr. Manish Kela. Is the company planning to get into jasmine rice? One of your competitors had mentioned that jasmine rice as a category is growing and getting bigger than basmati rice, especially in countries like USA. Your views on that, sir?
- Rajeev Setia:** Jasmine rice is not Indian product. It's from Thailand. So, our peer is buying from Thailand and selling in USA, he must be doing. That is permitted under the law also if we buy and sell to third countries. He must be doing. If the customers ask, we can also start those things, that's not difficult. We know the Thai people also. They are in touch with us. But jasmine in India, selling in India it's not heard of.
- Moderator:** Okay. So, Gaurav has just requested if you could again share what is the revenue potential from the Gandhidham unit that is coming? And what is the time line for commercialisation of this unit?
- Rajeev Setia:** Gandhidham, around ₹70 crores, ₹75 crores is annual with the existing unit, that's a small one. The one which is coming up new is with the larger capacity. So that is from the different company with that model we are not using in Karnal so far. It's a different company. Let's see what kind of production comes. It claims you will get very large production. Secondly, the packings are not small. Production depends upon the packing, which you do. So, the packings are bigger, let's see what we get good chance there.
- Moderator:** There's a question in the chat from Shivam Davey. What is the demand scenario for basmati rice? And are there any slowdowns in an overall demand?

Rajeev Setia: No, no. With us, we have more demand than our own supply even. That's why we are rushing for the CapEx increase.

Moderator: Sure. Anybody else who has a question please raise your hand. Sir, since there are no further questions, would you like to give your closing comments, so we can end the call?

Rajeev Setia: Ankit, go for the closing comments. Ankit? Ankit has left?

Moderator: Ankit has logged off, I think, sir.

Rajeev Setia: Okay. All right. I thank all the people who joined this con call. And we'll continue with every quarter, and we'll try to live up to your expectations also. That's what I can say. That's all. Thank you very much for joining.

Vinay Pandit: Thank you. Thank you to all the participants for joining us on this call, and thank you to the management team for giving us the valuable time. This brings us to the end of today's conference call. You may all disconnect now. Thank you.

Rajeev Setia: Thank you.

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