



# Chaman Lal Setia Exports Ltd.

(A Govt. Recognised Star Export House)

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CIN No. : L51909PB1994PLCO15083

An ISO 22000 : 2005  
Certified Co.

Dated:02.06.2025

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 Investor/ Analysts Conference Call for the quarter and financial year ended March 31, 2025.

Dear Sir,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, copy of transcript of the Investor/ Analysts conference call held on Thursday, May 29, 2025 on the audited financial results and operations of the Company for the quarter and financial year ended March 31, 2025, is enclosed. In this regard, a transcript of the aforesaid Earnings Call is attached herewith. Further, the said transcript shall also be available on the website of the Company.

Thanking You,

Yours faithfully,

**For Chaman Lal Setia Exports Limited,**

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



**Chaman Lal Setia Exports Limited**

**Q4 & FY25**

**POST EARNINGS CONFERENCE CALL**

May 29, 2025

**Management Team**

Mr. Rajeev Setia - Joint Managing Director

Mr. Ankit Setia - Executive Director

**Call Coordinator**



Strategy & Investor Relations Consulting

## **Presentation**

**Vinay Pandit:**

Ladies and gentlemen, I welcome you all to the Q4 and FY25 Post Earnings Conference Call of Chamanlal Setia Exports Limited. Today on the call from the management, we have with us Mr. Rajeev Setia, Joint Managing Director and Mr. Ankit Setia, Executive Director.

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

I would now request the management to run us through the business and performance highlights for the period ended 31 March 2025, the growth plan and vision for the coming year, post which we will open the floor for Q&A. Over to you, sir.

**Rajeev Setia:**

Good afternoon, everyone. This closing, you know, has a lot of questions I'm expecting from you. But we did our best. We worked hard. It was a very, very tough time this time. The ocean freights due to geopolitics issues, they had gone 100% up and now they have come down. Gradually they are coming down.

When one-part hits, logistic part, it hits the other portions also. The rice prices, which were very high in the last year, they've opened around 20%, 15% to 20% lower this year. We procured -- normally the prices gradually go up, but in this particular year, they remained sustained all along or they were a bit reductions. And thereafter, this US issue, the dollar has weakened. So, our currency is appreciating. That is also one of the issues, but despite all these problems, the company has come out with very good profitability, I would say.

In such circumstances, excellent profitability, the excellent growth, revenue of INR 1,500 crores. It's all good. The rest is up to you. You can raise your questions.

**Moderator:**

Thank you. All those who wish to ask a question may use the option of raise hand. If you are not able to raise hand, you can put a question in the chat box and we'll invite you to ask the question.

**Moderator:**

Anurag, you're already on unmute. Do you want to ask a question?

**Pavan Kumar:**

Hi, sir. Can I ask a question? This is Pavan.

**Moderator:** Sure. Sure, Pavan. You can go ahead.

**Pavan Kumar:** Yeah. So, my question is, first of all, what is the volume growth for this particular year and quarter? And also, two bookkeeping questions of mine were like, what is the volume of inventory there with us right now at the end of the year? And if you can give us what was in September and also the previous year, it would be great. I want the volume data, not inventory.

**Rajeev Setia:** As far as volume is concerned, the volume as regards sales is concerned, it's just 11%, 12% increase this particular year, one. You are asking the stock, stock position at the end of this year? One second.

**Ankit Setia:** In terms of tonnage, the rice was around, it was more than 65,000 tons.

**Pavan Kumar:** Okay. And can you give the same number for September? And also, last year, March, what was the closing number?

**Ankit Setia:** So, having said that, this I have said only for the rice. Paddy was separate, right? Just giving a tentative idea about the rice. Right. And what was your second question? You would like the same figure for which date?

**Pavan Kumar:** So, Ankit, the rice plus paddy, what would it be?

**Ankit Setia:** Yeah. So, rice is, it was more than 65,000 tons. I'll give you the exact figure also.

**Rajeev Setia:** Value wise, somebody picked the paper.

**Ankit Setia:** So, sir, Paddy rice it was more than 7,600 tons.

**Pavan Kumar:** Okay. Paddy rice was 7,600 tons.

**Ankit Setia:** Yeah. Paddy, you can say 7,600 tons and rice was 65,000.

**Rajeev Setia:** And it is INR 430 crores stock value.

**Pavan Kumar:** Got it, sir. And same number, Ankit, for FY24. And if you can give what was the closing in September, it would be great.

- Ankit Setia:** So, September 2024. Okay, let me pull it, please. Allow me some time.
- Pavan Kumar:** Okay.
- Rajeev Setia:** I have in mobile; I got -- I'll just -- you can continue with some other questions or issues. This I'll tell you.
- Pavan Kumar:** Okay. Okay. And sir, what would be your expectation for this year in terms of volume growth? And also, what is our understanding, is the higher price inventory, which we bought last year, I mean, which was 20% or 20% higher, is that out of the system? And were there any inventory losses this particular quarter because of that?
- Rajeev Setia:** In fact, the inventory losses, you see, we covered everything. But the point is, at some points, we had to sell at breakeven or with a meagre profit. We -- it usually doesn't come to us. We have been always very strong as regard of our buying and selling is concerned. But this particular year, as I told you in the beginning, this ocean freight hit us a lot. And secondly, because of that only when the supplies were not giving good realization, the prices also started going down. When they go down, then the atmosphere becomes such. But in any case, we have been earning. We have not lost money at all.
- Pavan Kumar:** Right, right.
- Rajeev Setia:** It has come down, of course.
- Pavan Kumar:** Yeah. Great job. But inventory losses, would you have a numerical figure for this quarter?
- Rajeev Setia:** There is no losses in the inventory.
- Pavan Kumar:** No losses.
- Rajeev Setia:** Because the inventory has been bought at a lower price is one. We have on the other hedged with the sales simultaneously. How come there is a loss? And now the prices are going up also. We are selling at a higher price.
- Ankit Setia:** From January till March, prices were not coming down. They were stable. Rather, they were going up like an organic growth. And after March, the prices have -- I mean, they have started to seriously go up.

That is what is happening. So, with an inventory of 65,000 tons rice plus paddy, we were extremely comfortable. We are still comfortable.

**Pavan Kumar:** Okay. Thanks, sir. I will join the queue. But whenever --

**Ankit Setia:** I am pulling the question you asked, it is coming. So, I will post that. So, there was no inventory loss.

**Rajeev Setia:** One point which was questioned and I could not reply, that was the stock in 2024 was INR 499 crore. I said INR 500 crore also in the past. And in this particular year, we have a total stock of INR 433 crore as on 31 March, 2025.

**Pavan Kumar:** You are saying FY24, the stock was INR 499 crores?

**Rajeev Setia:** Yeah, INR 499 crores, which is INR 433 crores. Okay.

**Pavan Kumar:** And what is the volume? If you can let us know whenever it is available.

**Rajeev Setia:** Yeah, I will let you know later. No problem.

**Moderator:** Thank you. We will take the next question from Aniket. Aniket, you can unmute and ask.

**Aniket C.:** Thank you, sir. So, my question would be that can you be more specific on what impacted our revenue and our volume growth and also supply to which region was impacted the most?

**Ankit Setia:** Aniket, our sales have gone up. They have gone up by INR140 crores. So, there is no impact on the sales. The revenue is higher as compared to last year.

**Aniket C.:** Okay. And what has been the main impact of the content of freight rates on profitability and margin?

**Ankit Setia:** So, what happened is the transportation cost has doubled in last one year. So that has impacted the profitability. But this is, I would say, short term, the business will readjust according to that.

**Rajeev Setia:** I can a bit share the figures. The ocean freight, which was last year in September, October, \$1,800 for Sokhna, Egypt. It is \$500, \$450 now in April '25. Same way Haifa Port in Israel was \$3,500. It is \$890 now. Ashdod port of Israel, where we are doing large business in

Israel, \$4,000. It is \$1090 now. So, it is just 25%. So, all around, even in the Europe, Norway was as high as \$4,100. Then it came down to \$3,700 and now it is \$1,800. Shipping to Norway regularly. Reunion \$2805, it is \$900. And so on and so forth, all areas are coming down. Miami was \$5,000. It is \$2,500 now.

So, as Ankit said, it was a temporary short period and it has come down to its actual levels now.

**Aniket C.:** Okay. Okay. So, coming to first question, what I know that Q4 revenue was around like INR 36 crore versus INR 38 crore in last year Q4. So, revenue has come lower. So, on quarter basis, so that's why I actually asked what impacted the revenue. Okay. Anyways, thanks for your question.

**Moderator:** Thank you. We'll take the next question from chat. Deepali Kumari has asked, what is your average realization of Basmati rice in FY25 and how much you are expected to grow?

**Rajeev Setia:** What is the question, repeat?

**Moderator:** What is your average realization of Basmati rice in FY25 and how much are you expected to grow?

**Rajeev Setia:** Price, price realization, they are asking Ankit. It's according to the volume. We are not prepared for this question.

**Moderator:** Our next question is, how much revenue percent you are expected from Karnal and Gandhidham in the upcoming year?

**Rajeev Setia:** It's always around 90%, 95% revenues from Karnal, 5% to 7% from Gandhidham. In the next year, we feel Gandhidham revenue will go up because the new plant, I just have to go for the opening now, any day, it's ready. And another unit, which the old unit we are running, that will be brought down to new unit. So, we will have double capacity? Obviously, it will go up.

**Ankit Setia:** So, I will say some approximate figures. For example, we did overall business of 133,000 tons in the last year. The profitability is around INR 133 crores. So, it comes to about INR 10 a kilogram. So, you were asking per unit profitability, it comes to about INR 10. And the revenue has gone up by INR 140 crores. So that is because we've recently started three new units in Karnal. Out of the three new units,

two units have started working at an efficiency of 60% to 70%. So, it is because of those units this revenue has gone up.

**Moderator:** Thank you, sir. We'll take the next question from Kewal Shah. Kewal, you can unmute and ask.

**Kewal Shah:** Thank you for the opportunity. Sir I'd like to know what's our plan on the premium product, similar to what other rice brands like India Gate offer? And do we have a plan to look at creating and scaling up this business?

**Rajeev Setia:** Ankit?

**Ankit Setia:** So, like different rice companies have different models of working, where the model of our working is mostly to pack private label. And of course, we are doing our own brand also and we are trying to expand it. But the main model is to do private label for our foreign customers. And we are expanding in that. That is why our revenue is going up. But this year, in terms of expanding our revenue by 10%, we worked on some low margins also in that 10%. But next quarter, the same buyers and same revenue will lead higher profitability. So that is the model we follow.

**Kewal Shah:** Okay, sir. And what's the status of our new facility at Gandhidham? And what are the activities we plan to cover there?

**Ankit Setia:** Okay, I would like to add, the model we follow, it's a very light and a flexible model which protects us against lot of turbulences of the market. For example, the raw material comes once in a year. Our model protects us if the prices go down too sharp. So that is how we operate. Regarding the Gandhidham plant, it is to be inaugurated soon.

**Kewal Shah:** Okay, sir. That's it from my side. Thank you.

**Moderator:** Thank you. We'll take the next question from Rajesh. Rajesh, you can unmute and ask.

**Rajesh Mangal:** Yeah, good afternoon, Rajeevji and Ankitji. Rajeevji, this is C.A. Rajesh Mangal from Bilaspur, Chhattisgarh. Last year also, I have attended your Concall. Okay.

**Rajeev Setia:** Very good.



- Rajesh Mangal:** And Rajeevji, my question is, what is our future guidance? What is the extra volume we are going to add this year?
- Rajeev Setia:** Sir, there is a few very good developments in this particular year. For last six months, watching very big companies' world around are contacting us. Very good concerns, the modern change and they are approaching us. I have been invited in Australia next month, and there will be complete all group of these, what you call modern trade people. They are going to meet me. So, these things, we never happened in the past, but now these things are coming. Even Ankit, Sankesh and Ankit also sometime tell me, when they participate in the exhibition, people from different parts of the world, people are getting attached to our company now.
- The reputation is such. And never -- if somebody sends an advance timely shipment, nobody is -- people are very comfortable doing business with us, that's why.
- Rajesh Mangal:** Now, my question is, what is the extra capacity we have added so as to increase our revenue this current year?
- Rajeev Setia:** Yeah, three units have come in Karnal already. They are functioning already by -- I think by March they were ready, complete or not. But now all the three are, Ankit, all three are working or two, all are working? Ankit, the three new units.
- Ankit Setia:** No, no, no, uncle. We've put in three plants. Out of the three, two have started to work. But we are running in an efficiency of 60%. They are still not on their 100%.
- Rajeev Setia:** 100%, and what about the third one?
- Ankit Setia:** Third one would start after about one month.
- Rajesh Mangal:** One month. So, what we are expecting current year, all the three plants will run in the 100% capacity?
- Ankit Setia:** Rajeshji, the increase of revenue of INR 140 crores, that has come because of these plants. These two plants which have started to run.
- Rajesh Mangal:** Correct. And you are saying that they are running in 65% capacity, okay?

- Ankit Setia:** Yeah, they are running on an efficiency of 60%. There are some issues with electricity. We are trying to solve those. So, the moment everything is solved, I think in the next one or two months, it will be at their full level then.
- Rajesh Mangal:** Okay, so Ankitji, can we expect the freight as you told, as Rajeshji told, I think, that freight, ocean freight rate has already been reduced?
- Rajeev Setia:** Yeah, yeah, they have considerably come down.
- Rajesh Mangal:** Okay, so in this year, we can expect a very good handsome profit also?
- Rajeev Setia:** Yeah, should be.
- Ankit Setia:** This year we expect at least a revenue of INR 2,000 crores with the new plants coming in. And of course, if you look at the past history of our company, the corresponding profits also should come.
- Rajesh Mangal:** Correct, correct. And Rajeevji, in last year concall, we have discussed that we are going to target some extra protein product or like that, I think.
- Rajeev Setia:** Extra?
- Rajesh Mangal:** Extra, some product, such a product in which good nutrition is maintained.
- Rajeev Setia:** Actually, Vijay has made that rice, quick cooking rice in two minutes.
- Rajesh Mangal:** Correct, correct.
- Rajeev Setia:** That's what, because that is in the lab that has been made and commercially, he is still trying. Commercial production will take time.
- Rajesh Mangal:** Okay, okay. Thank you and all the best.
- Moderator:** Thank you. We will take the next question from Siddhant Bhandari. Siddhant, you can unmute and ask.
- Siddhant Bhandari:** Thank you so much for taking my questions. The first question is just a data keeping question. So, what was the volume growth QoQ and YoY for Q4 in percentage terms?

**Rajeev Setia:** YoY, it is 11% increase in volume.

**Siddhant Bhandari:** This is on a full year basis. I am talking about Q4.

**Rajeev Setia:** No, no, I am talking of the year total.

**Siddhant Bhandari:** And what would that be for Q4, sir?

**Rajeev Setia:** Q4, I have not taken out. I am looking at the year only.

**Siddhant Bhandari:** Okay. Maybe afterwards, if you can just share the data, if that's okay. If you are disclosing it. And then the second question is, you know, we were studying all the rice companies and our margin decreased a bit this quarter, even sequentially, compared to Q3. So, what happened exactly? The EBITDA margin decreased a bit from Q3 to Q4. Is that freight charges, realisation? What happened exactly?

**Rajeev Setia:** You see I said in the beginning, what happened, ocean freight on one side were higher. We tried to mitigate our losses by persuading the customers also. Some people are adamant. They don't agree, but I will do, try to convince them. And the prices of rice all along were gradually, they were stable or coming down. So that has a hit also, but despite all those impedances, the company made good profit, I would say.

**Siddhant Bhandari:** And then sir, the third question.

**Rajeev Setia:** Now the prices have started going up for the quarter or so, I can say.

**Siddhant Bhandari:** Fair enough. So, this year you had 11% revenue growth, roughly. Can we expect the same for next year also, or because of the new packing plant and stuff, or a little more? Because efficiency plus new packing plant going live.

**Rajeev Setia:** It should be, why not? We are working hard, all of us. We are trying to expand our business to new.

**Siddhant Bhandari:** Because, actually, because the reason I'm asking is because, I think, Ankit mentioned that he is targeting INR 2,000 crores or something, I think for FY26. So, I was just trying to figure out how much pricing you're making and how much volume.

**Ankit Setia:** Siddhantji, the revenue has increased by 11%. We were stuck last 2, 3 years. Things are changing. Number two, prices were all-time high,

sorry, prices were all-time low. The period when prices were very low. If they naturally open 20% higher in the season, the revenue will increase by itself, without doing anything. Now we have three big plants, so they will start. Two plants are running at 50%.

First of all, we need weapons to fight. Weapons are all ready. Now we will make revenue of INR 2,000 crores.

**Siddhant Bhandari:** We are very happy with the company, we are shareholders. So, we are asking just to understand.

**Ankit Setia:** I'm sharing the same thing. The good thing about this is that the revenue has increased. It has increased because the infrastructure has been added. So, this is my point. Hello, can you hear me? Hello?

**Moderator:** Yeah, yeah. You are on.

**Ankit Setia:** So today we appointed a distributor for Maharani in Australia. So, we are adding quickly new customers. We are trying to expand our model. We have a full team working hard day and night.

**Siddhant Bhandari:** Sorry, Rajeevji, actually your first 30 seconds, I could not hear. Your face was frozen. After weapons, I couldn't hear anything.

**Ankit Setia:** No, no, this is me, Ankit.

**Siddhant Bhandari:** Sorry, sorry, Ankitji, I could not hear after weapons.

**Ankit Setia:** So, what I'm trying to tell you is that infrastructure is built. We are ready with our plants now. So that is why the revenue has gone up. And sometimes to increase the revenue, you have to work on a low margin. You need to sometimes work on low margin just to get new customers.

**Siddhant Bhandari:** Break in basically.

**Ankit Setia:** Just to start, just to break in. So, we are doing it now. First thing was required that the infrastructure is there. If you are bringing a new big buyer, you do not have the infrastructure to supply it. So how will you do it? So, first of all, that thing was done completely. To say, let's, work on that. The target is to do INR 2,000 crores and we are confident we are going to achieve it.

**Siddhant Bhandari:** Yeah. Got it. Got it. Helpful. So that's all from my side. Thank you so much. And sorry for the lag. Thank you so much.

**Moderator:** Thank you. We'll take the next question from Praveen Sharma. Praveen, you can unmute and ask. We'll take the next question from the line of Hitesh Randhawa. Hitesh, you can unmute.

**Praveen Sharma:** Yeah, sorry. I have two questions. First of all, sir, you know, as you know, I've been following the company for a very long time. So, the way I understand is our business model is instead of having large customers, we have sell in 80, 90 countries with, and we have a lot of small customers. So, and typically with low rice prices domestically in India, we make decent amount of profit. So, I just wanted to understand, specifically in this quarter, when we had Ramadan also, why the profitability has reduced? You mentioned freight and the currency thing. But my -- just to elaborate, if you can elaborate as to is, are our buyers also started looking at the Basmati prices in India? And based on that, if it is following the -- just to withhold their buying, is the scenario like that?

**Rajeev Setia:** You see, as far as buyers are concerned, most of our -- with us, all of them are with us. And once in a while, some buyer goes, some buyers we also kick out also. You come across that people also. But more and more people are coming to us. We are participating in every -- right now, Mr. Vijay Setia and Sankesh are in Bangkok THAIFEX exhibition that will end on 31.

Now the question is, we have not gone for the Thailand market. We know that's not market. We already have two customers there. From world over, because the Thailand is the equal competitor with us for non-Basmati rice. Sometime they are higher than us. Sometime we are upper than them. So, the customer from all around the world come there. And in the last year also, we got customers and I'm confident that Vijay and Sankesh, jointly they are there. They will get new customers because Basmati people are few over there. People come to buy Jasmine rice, non-Basmati rice. So, this is the continued pursuit of the company to work hard and move around world around.

New generation is going, Ankit is traveling, Sankesh is traveling, all the time somebody is out. Our sales teams also working hard in the company. So, and last quarter, we skipped. The prices of the rice started coming down. Then the ocean freights went up. The buyers slowed down on the buying also. I'm not talking personally my company, for the entire industry as a whole. There are so many

people, so many exporters, trader exporters, small millers. When the prices come down, it does hits whatever you may be able. It hits. So, the last quarter is relatively at the lowest profitability. These things part of business, for any business, this is the common thing. It has come; it will go up.

**Praveen Sharma:** Okay. The second question is, sir, in this UK FTA, is the rice also covered or rice is excluded?

**Rajeev Setia:** I don't think they are going to allow this duty abatement to rice, which is processed in India.

**Praveen Sharma:** Only brown rice.

**Rajeev Setia:** Yeah, if you send the brown rice and polish it.

**Praveen Sharma:** Tilda and Jashan, these guys are.

**Rajeev Setia:** Tilda did good job all along and now he has sold the brand.

**Praveen Sharma:** And sir, U.S. tariff, means does it impact us in any way or we don't export much to US? What is the situation?

**Rajeev Setia:** US, we are one of the -- I think, I think we are second largest or third largest after LTE, you know. You know anything?

**Ankit Setia:** We do quite a lot to USA and since our customer base is all ethnic. So, the tariff system doesn't disturb our business. Had it been a mainstream business, then the impact could have come. Because the mainstream, your contracts are only once in a year and they don't entertain any kind of excuses if prices go up. So, since our customer base is all ethnic, they don't have any problem.

**Rajeev Setia:** Ankit I think their question is about the duty.

**Praveen Sharma:** Duty, tariff duty.

**Rajeev Setia:** Duty tariff.

**Ankit Setia:** That's what I'm saying. That's what I'm saying. The tariff which has been put by US, since our customer base is all ethnic, so they can easily absorb it. Had it been a mainstream customer base, they don't accept any change. Once you are in a contract, you need to honour it.

- Rajeev Setia:** No, but Ankit, it's the duty imposed by their country, not we. They have imposed the duty. It's imposed on the exports.
- Ankit Setia:** You are right. But with the ethnic company, you sign a contract for one container or a two container or three containers. Whereas for a mainstream company, you will sign a contract for let's say 500 containers. So, 500 containers will not reach in one month. It will be like a schedule. So, a mainstream company will not allow you to change the price. You are always with the credit terms with them.
- Praveen Sharma:** But they will absorb whatever the duty US is imposing.
- Rajeev Setia:** Right now, 90 days, this extension is given. And 90 days is a small period. They will finally come down. I think Trump's cool now. They are likely to fix it around 7%, 8%, less than 10%. This is what I'm believe will happen.
- Ankit Setia:** Praveenji, what happens is when you're dealing with an ethnic customer, first of all, he will not place a very big order. It will be like one or two containers, right? It will be like one container of one type. This is number one. Number two, you're dealing is -- you're dealing straight with the ethnic customer. The problem comes once you're dealing with the mainstream company. There is no ethnic guy. You are dealing with a western company, a white company. So, you're dealing is straight. Your company rice going to an American company. And you have a contract of let's say 300, 400 containers.
- Over there, you cannot say these things because you already are -- you are bound with a contract. Your price is fixed for the full year.
- Praveen Sharma:** But then they will. If the price is fixed, he will pay the import duty. Whatever the price is.
- Ankit Setia:** No, they don't pay. It's on their contract.
- Praveen Sharma:** I'm giving \$100 and 10 duty -- okay, it's written in the contract.
- Ankit Setia:** Sir, you signed a contract with me that you will give me 500 containers for \$1,000. Now you are in my contract. I have to pay you for 90 days.
- Praveen Sharma:** But it is FOB or it is, you know, landed at their factory.

- Ankit Setia:** It is always door delivery when you're dealing with a mainstream company.
- Praveen Sharma:** So, import, custom duty is online.
- Ankit Setia:** And they have your money for 90 days.
- Rajeev Setia:** Ankit, you look at the contracts, custom duty or whatever.
- Ankit Setia:** No, no, I'm not talking about ethnic.
- Rajeev Setia:** It is to the buyer account.
- Ankit Setia:** No, I'm not talking -- see, ethnic contract is very simple. It's very flexible. Any duty, ethnic person will pay. But mainstream contract is different ballgame all together. Ethnic person is an Indian person, Bangladeshi person. You can just make a phone call. You can even change your contract. American company, big Walmart company will not listen to you. They are not a Bangladeshi company.
- Rajeev Setia:** I spoke with Milan last week. He said when the ocean freight had gone to \$10,000 then also, he had managed, duty is afterwards. We will manage; it will increase our work. This is what people ask.
- Ankit Setia:** Ethnic mindset is absolutely different when you compare it with -- American company is right? Also, because they have promoted, they have done their deals according to that. So, our business is all ethnic. We don't do any mainstream as of now.
- Praveen Sharma:** And if there is a duty differential between India and Pakistan, do you think we will have --?
- Ankit Setia:** So currently Pakistan prices are higher than India by \$100, \$150. So, India is at its advantage.
- Rajeev Setia:** If they don't get water how will they grow?
- Ankit Setia:** So that is for the future. If you know, India actually stops their -- India in future, if India is able to stop their water and I was reading, they're dependent on Afghanistan also for their water. So, Afghanistan also -- because I think in future, eventually it is going to happen. Any country would not like to share their water. So, if they close the water, maybe there is no agriculture left in Pakistan. It becomes an importing country. And this is real. I mean, this is realistic. In future, there is



going to be requirements for water. So, they like it or they don't like it. They have to stop the water.

**Praveen Sharma:** And sir, last, Ankitji, as you said that, this year we are targeting INR 2,000 crores. So, I assume that we will be doing, at a decent margin. It's not only top line growth; it will be coupled with a decent EBITDA also.

**Ankit Setia:** Parveenji, to increase the revenue, sometimes you have to compromise on your margins just to get the entry, just to test the customer. Like we've increased the revenue of INR 140 crores. So many new customers have been added in. Sometimes we can even work on a loss on the first deal. Let's say if somebody wants to take one container as a, let's say, sample. I would not look at what is the market price. I would just, I would be happy to start the business. But this is only for the first container. Once he's satisfied, the second container, of course, we're going to charge our regular margin.

**Rajeev Setia:** And secondly, Praveenji, this is all business goes with the economics laws. If the demand is there, the price is there. It happens in the commodity. Commodities have up and down.

**Praveen Sharma:** And sir, since you raised this point of commodity, where do we stand for branding as far as domestic market is concerned? We have been talking about Maharani brand launch in India and deeper distribution penetration and things like that. But I don't think anything substantial has happened on the ground.

**Rajeev Setia:** You're right, nothing substantial has happened so far. We are concentrating on online sales. We are with the Blinkit and Amazon and so many and the sales is gradually going up. And we have right now earmarked NCR only. NCR itself is a very big market. Let's see. It's very quickly going up. Every day sales is going up. So let us see. Let the brand be little famous. Then we can go for advertisement and go for the distributors also. That is the gradually.

**Praveen Sharma:** Online also Blinkit. I'm from Noida, but it is not available on Blinkit Noida because we have a great product. Quality of the product is excellent. And I'm sure slightly more push will give very good result.

**Rajeev Setia:** Yeah, I'm giving them in Gurgaon. They come and pick from this corporate office every day, but maybe they -- we will ask them to put it in Delhi.

- Praveen Sharma:** The entire NCR region.
- Rajeev Setia:** Entire NCR is our target; entire NCR is our target because the name has to have some recognition. Without that, like burning the money is no use.
- Praveen Sharma:** Okay, great, sir. All the best and very good wishes for the next year. Thank you.
- Moderator:** Thank you. We'll take the next question from the line of Hitesh Randhawa. Hitesh, you can unmute and ask.
- Hitesh Randhawa:** Yeah, hi. Thanks for this. My first question is just upon margins, Ankit, you did say and Mr. Rajeev, you also did say that because sometimes we need to sacrifice small amount of margin to kind of get the foothold. But FY26, what kind of margins are we looking at, actually, nonetheless?
- Ankit Setia:** So generally, we work on a margin of INR 10 per kilogram. This I'm talking from the past records. You can check yourself. So, this is the margin we work on, on an average. But sometimes to get a new customer, maybe I will compromise on INR 10. I might work on INR 1 or INR 2 also just to get him inside.
- Hitesh Randhawa:** I totally get that. I totally get that.
- Ankit Setia:** Sometimes I'll work on a loss also to get him.
- Hitesh Randhawa:** It's understandable. It's just that I need to model my numbers, etc., and for that I just need to have --
- Ankit Setia:** But once the introduction is done, once I know about the customer that he is capable of paying on time, he's valuing my quality. Once the customer knows that, Chaman Lal Setia is a serious company with on-time delivery and the commitment is fine, then of course, we increase the margins. And there are other forces also which support us. Not only we -- Yes, sir.
- Hitesh Randhawa:** Ankitji, I get that. So, 9% we have done in FY25. My number, would we be able to put a range to it, if you don't mind?
- Ankit Setia:** Range. It'll be similar to what we've done in the past. Future also will be same. I don't want to give it a number, but you can look at the past records. It will go on like this only. This is the company's model.

- Hitesh Randhawa:** And I'm sorry to stretch this further. But last one on this topic. Say, our margins have fallen. In the past, we have had margins of say kind of 11% to 12% as well. And 9% and 11% to 12% --
- Ankit Setia:** It is between 9 to 14%. You are right. Sometimes it is 9%. Sometimes it is 14%.
- Hitesh Randhawa:** Okay. Okay. And other question that I had was that I think we have been hearing about this shortage of rice in Japan. And I think Indian Rice Exporters Association; they did have some meeting with the Japanese embassy as well one week back. And Japan is considering kind of maybe India as a potential source. And I think the rice that they want is sticky rice, wherein the amylose content is less than 10%. And at our place I think it happens only in the northeast area. And I think there's a variety called Bora rice, etc. So is there any way we can benefit, not immediately, but going forward. Is that something that we can explore?
- Ankit Setia:** So, one month back, there were people -- there was a delegation from Japan who visited our Gurgaon office. And about 10 days back, they wanted to visit our Karnal unit also. So, something is cooking up. So, your information is correct. And like you said, high amylose rice, even in North India, we have these kinds of rices. So, they can be supplied.
- Hitesh Randhawa:** Okay. Okay.
- Ankit Setia:** It is not entirely the south. So, there are varieties which are high in amylose present in North India. We have those rices.
- Hitesh Randhawa:** I think they look for lower one, right? I think less than 10% amylose, I think, sticky.
- Ankit Setia:** You know, it is all demand and supply. If they have a demand, they will even modify what they buy. Just to cover that thing up.
- Hitesh Randhawa:** Okay. And I think Mr. Rajeev Setia, I think you did say that if there is no water, how will they grow, about Pakistan. I already had that question as well. I don't know that. Okay. It's a geopolitical question. I don't know what the status is. But this flow of water in-between is stopped, is there going to be an impact due to that because Pakistan does export decent amount of rice actually as well.
- Ankit Setia:** See nothing will happen so quickly.

- Rajeev Setia:** No, you are right. See Modiji is saying our legitimate share, we are not going to give them at all. That is around 80% portion what I am hearing.
- Hitesh Randhawa:** Yes, sir.
- Rajeev Setia:** If something of that sort happens, it will be a catastrophe for Pakistan. And they won't leave it now.
- Ankit Setia:** So currently they don't -- I mean, if you read, they don't have the infrastructure to stop all the water. But eventually, eventually see, water is going, I mean, water is scarce. So, they will stop it. It will surely happen in future. Afghanistan will also stop, India also will stop. And then Pakistan will become an importer instead of an exporter. Then they will have to take from India only. It will be another weapon Modiji will have.
- Hitesh Randhawa:** Right. Sure, yeah. Thanks a lot. Just had these questions.
- Moderator:** Thank you. We'll take the next follow-up question from chat from Dipali Kumari. She's asking if you can give a revenue bifurcation from private labelling and branded sales.
- Rajeev Setia:** Branded sale is around 14% to 15%. The rest is private label. In this particular year, the domestic sale is higher by INR 100 crore. And it will come in that; the share will increase a lot.
- Moderator:** Sure, sir. We'll take the next question from the line of Piyush Patel. Piyush, you can unmute and ask.
- Piyush Patel:** Good afternoon, sir. I have certain questions with me. Like, what's your growth vision for the next three years? And what will be the key drivers for this growth?
- Rajeev Setia:** Mr. Piyush, very simple. We have excellent infrastructure as regard our factory is concerned. Even if we compare with the European mills, I know mine is the best one. All the company has good finances. No problem at all. Company has market around the world, 85, 90 countries. Company is participating in every single exhibition. Right now, we are in THAIFEX in Bangkok. Next exhibition, the bigger one will be Anuga in Germany. And we are trying to expand our business in domestic market also, but not at the lower prices. We want to make money wherever we sell.

Right now, we are pushing more on the online sales. I just want a recognition of our brand name, which was quite famous at one point of time. I'm talking of 80s. It was one of the tops in Bombay. Anyway, I have to put it back in the public mind, and then I'll go for distribution and all that. Already we have -- Ankit, which distributor you imposed, you selected recently, you were telling? Distributor.

**Ankit Setia:** So, today itself, Maharani distributor was started in Australia.

**Rajeev Setia:** It was Australia. But gradually, we will start in India also. We have complete plans. We have not abandoned anything. We will do that. Because this year in particular, we felt the international market was -- had we with us some domestic business also, it could compensate us. I mean, it's a balance we have to make. That's very important. So, we are trying for that.

**Piyush Patel:** Okay, sir. Great. Thank you.

**Moderator:** Thank you. We'll take the next question from chat. Vivek Singh is asking, what are the challenges that we are facing right now? And what is the learning from this year?

**Rajeev Setia:** Challenges and what we learned from this particular year?

**Moderator:** Correct, sir.

**Rajeev Setia:** You see, we have been learning from '74, '75, '80s, all along we have been learning this business. And new challenges do come. But the kind of model we have, it's a well-tested model, selling to multiple customers, separate risk, multiple countries. So, there is no reason to terrify at all. This is the economics now. Suddenly there is more supply, less demand, prices will be flat. You won't be able to earn much. But these are temporary things. Tomorrow, if the prices go up and the demand comes from other parts of the world also. So business is to grow. It's a staple diet. 60% of the world people eat rice. It's gluten-free. It is non-allergic food. Best. But now business will increase.

**Moderator:** Thank you, sir. We'll take the next question from Rajesh Agrawal. Rajesh, you can unmute and ask. Rajesh, you are on mute.

**Rajesh Agrawal:** Yeah, sorry. Rajeev, I have started my video. At least you can watch it.

- Rajeev Setia:** The first person who has shown his face so far.
- Rajesh Agrawal:** Rajeevji, I had a follow-up question. We talked about this in the last video call. To overcome this ocean freight, we should have used some escalation clause, escalation clause like in our contract. So that if ocean freight will go from this and this, we will charge this extra amount. So, have we added any extra clause in our contracts or not yet?
- Rajeev Setia:** No, look, in the escalation clause, I had invoked it 15, 20 years ago in a couple of my contracts with Saudi Arabia. They become flat. People don't agree. They leave it early. That we don't want this. Now the tax, if it is imposed outside India, we write it clearly that is to your account. That's your government. You have to bear it yourself. We write it clearly in everything.
- Rajesh Agrawal:** Okay, okay, okay.
- Rajeev Setia:** There are normal clauses. Now look, like WhatsApp. WhatsApp is not legally accepted by banks. ECGC also does not accept it. So, we are writing specifically in our contract that business is now on WhatsApp. So, it has to be considered legal for our contract.
- Rajesh Agrawal:** Okay, okay.
- Rajeev Setia:** The tax is over there. What is imported in India the tax on that is plus or minus? So, it is not none of the concern of the foreign supplier.
- Rajesh Agrawal:** Okay. And second question is, have we expected for some extra CapEx, extra CapEx in this current year or future 2-3 years?
- Rajeev Setia:** Look, recently we put up 3 units. What should I say about CapEx? The work that is done in INR 1 crores, INR 1.5 crores, nothing bigger than that. Same way, we put up a new unit in Gandhidham. Go any day for inauguration only. There is nothing to do about it. I mean, we are increasing the packing capacity, not the paddy to rice capacity. That we have reasonable. And we are still slow on that. We don't need it.
- Rajesh Agrawal:** Okay. And third and last question is --
- Rajeev Setia:** The industry has shrunk a lot. The people are chasing us to sell. They cut 2.5% and give 2%. The money comes. CD, do the payment next

day we give the money in 3 days whosoever sells to us, 2% CD. Today, I have cut 2.5%, 3 vehicles have reached Gandhidham, we had cut 2.5% and paid. And when you pay timely, no dispute, no problem to the customer, you get cheaper also. We take the first profit here.

**Rajesh Agrawal:** And to increase our Maharani brand, okay we may hire some influencer also.

**Rajeev Setia:** We have hired an agency recently. I don't know their name. Sankesh is handling that. He is not here. Out of India. I will ask him what he is doing. Because first, he is not even making his own website. He is also designing the packing in the latest way. From visiting card to letterhead, every single thing, they are trying to improve. Because many primitive and orthodox things are going on. So, he is doing those things. Let's see how it goes.

**Rajesh Agrawal:** Yeah. Along with that ad agency or like that, we may hire some influencer also. That is not much more costing, I think.

**Rajeev Setia:** They keep doing it on social media.

**Rajesh Agrawal:** Yeah, yeah.

**Rajeev Setia:** Now like Blinkit etc. has also started. Amazon is also there. Everyone is working with me. So, someone just said he is not in Noida. So, I will talk to them to do it in Noida. There are some GST laws everywhere. They say it will come in 20 warehouses, register it in 20 places.

**Rajesh Agrawal:** We will have to do it in the same number of states.

**Rajeev Setia:** Yeah, there is a law.

**Rajesh Agrawal:** Yeah, there is a law according to GST.

**Rajeev Setia:** Give them the name that it is here. I don't know about Noida. We will have to register it in 100 places.

**Rajesh Agrawal:** No, no, no, Rajeevji. Not Noida. All the states, every state, we have to register GST.

**Rajeev Setia:** Because in Gurgaon, Haryana, we belong factories in Haryana. We have done everything in Haryana. Noida means we will have to take.

**Rajesh Agrawal:** UP registration.

**Rajeev Setia:** We will have to take UP license.

**Rajesh Agrawal:** Yes.

**Rajeev Setia:** We will have to take in Maharashtra. This is a big --

**Rajesh Agrawal:** It is not a big job, sir. It is very easy going these days. It is not a big thing. I do GST practice only. Pardon?

**Rajeev Setia:** You are CA?

**Rajesh Agrawal:** Yeah, I am CA and I do GST work only.

**Rajeev Setia:** So very good. We will come to you only.

**Rajesh Agrawal:** Most welcome. Most welcome, sir. And anyway, it feels very good to talk to you. Thank you. Thank you very much. We will meet in the next concall also.

**Rajeev Setia:** Sure, sure.

**Rajesh Mangal:** Thank you. Thank you, Ankit.

**Moderator:** Thank you. We will take the last question for the day from the line of Madhur Rathi. Madhur, you can unmute and ask.

**Madhur Rathi:** Yes. Thank you for the opportunity, sir. Sir, I wanted to understand our gross margins have decreased from 31% to 22% over the last five years. But our EBITDA margin has been fairly stable, sir. So why is that? Has there been any change in accounting entry or if you could just help me understand regarding this?

**Rajeev Setia:** There is no change in accounting system. These are the -- you see, it's the business, you know. In this particular year, ocean freight went very high due to geopolitical reasons. Then this year the size of crop was big. In the beginning, the prices were low. We were happy that it's the right time to procure. We procured large. Then the prices remained stable for some time. Of course, we buy and sell simultaneously. We hedge our buying. But you see the ocean freight were high. Demands were relatively lower. Prices started coming down off the rice. So that has hit, truly speaking. Ocean freight and the fall of prices. We should be candid with the investors.



**Madhur Rathi:** Sir, but I'm trying to understand. Sir, in FY21, our margins were 31%.

**Rajeev Setia:** Yeah. Once again --

**Madhur Rathi:** Yeah, sorry, sir.

**Rajeev Setia:** Again, the prices are going up. They have gone up by 10%, 12% now in the last 20 days. So, I have my stocks. I'll be selling at higher prices.

**Madhur Rathi:** Yes. Sir so I'm trying to understand that.

**Rajeev Setia:** Commodity does not run at a fixed price. It keeps going up and down. We have to live with that.

**Madhur Rathi:** Sir, but wanted to understand that when we were taking out a 31% margin, then our EBITDA was 14%. Today, our margin is 22% gross margin. Then our EBITDA is around 10%. Sir, we had to understand that there is such a difference, because our gross margin fell by 8%. But EBITDA did not fall by that much. So, we had to understand that something is happening differently. Earlier, when we used to work, the gross margin was high. But the remaining operating costs were also high because of which the entire flow was not happening on the margin.

**Rajeev Setia:** Look, it's like sales are also increasing. Okay. We are increasing our sales. To get a better sale, sometimes you have to compromise on the margins. Some big buyers come to you. You sell to them. They give limited profitability. But they are nice. Their continuity is good. With one big customer name, you sell to three others also. Yes, I'm selling to him, the buyer. You see, these things happen. So, to grow a business, these things are natural. It's a business. What's wrong with it? Then we will come. Commodity will go up. Short crop will happen. A little more demand will come. Then we will come to the windfall. It keeps going on.

**Madhur Rathi:** Okay, sir. Sir thank you so much and all the best.

**Rajeev Setia:** Thank you very much.

**Moderator:** Thank you. And since that was the last question, I request the management, if you have any closing comments.

**Rajeev Setia:** Ankit, you close now. Okay. I opened.

**Ankit Setia:** My closing comments are that, the revenue has gone up by 11%, which is I think, a very positive.

**Rajeev Setia:** It has gone by 11% and...

**Ankit Setia:** The revenue has gone up by 11%.

**Rajeev Setia:** Revenue, how much?

**Ankit Setia:** 11%. So, I see that a very positive sign. Because this is all because of increasing of our infrastructure. So once the full infrastructure is in place, we can expect our target of INR 2,000 crores very soon. So, thank you very much.

**Rajeev Setia:** I forgot to tell everybody, the company has given INR 50 lakh to Prime Minister National Relief Fund, specifically for army.

**Moderator:** Thank you. Thank you, sir. 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.

**Rajesh Agrawal:** Thank you. Congratulations, Rajeev, for the 50-lakh donation. Thank you.

**Rajeev Setia:** For the Army.

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