



Chaman Lal Setia Exports Ltd.

(A Govt. Recognised Star Export House)
Regd. Office : Meerankot Road, P. O. Central Jail,
Ajnala Road, Amritsar-143002 India
Tel : 91-183-2590318, 91-183- 2592708
Facsimile : 91-183-2590453, 91-184-2291067
E. Mail : setiarice@yahoo.com, clsetia@rediffmail.com
CIN No. : L51909PB1994PLCO15083

ISO 22000 : 2005
Certified Co.

16.08.2023

To

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

Stock 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

Ref :- Chaman Lal Setia Exports Ltd. ("the Company")

Sub :- Transcript of the Analyst/Investor Call held on 10.08.2023

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 10.08.2023

Thanking You,

Yours faithfully,

For Chaman Lal Setia Exports Limited,

Kanika Nevtia Digitally signed by Kanika Nevtia
Date: 2023.08.16 13:45:51 +05'30'

(Kanika Nevtia)

Company Secretary

ACS:- 29680

Encl: As above

RICE MILLS
Kaithal Road,
Karnal.
Tel : 0184-2990758

Visit us at :
www.clsetl.in

RICE MILLS
Meeran Kot Road,
P. O. Central Jail, Amritsar.
Tel : 0183-2590318, 0183-2592708



“Chaman Lal Setia Exports Limited
Q1 FY24 Earnings Conference Call”
August 10, 2023

**MANAGEMENT: MR. VIJAY SETIA – CHAIRMAN AND MANAGING
DIRECTOR**

**MR. RAJEEV SETIA – JOINT MANAGING DIRECTOR
AND CFO**

MR. ANKIT SETIA – EXECUTIVE DIRECTOR

MR. SANKESH SETIA – EXECUTIVE DIRECTOR

Ajay Thakur: Yes, sir, we can. I believe we can start. Sir just I will give you an introduction before I handover it to you.

Rajeev Setia:

Ajay Thakur: Should we start sir. Sir, are you able to hear me? Hello, Rajeev ji, you able to hear me? Hello.....

Ankit Setia: Hello. How are you?

Ajay Thakur: Hi Ankit, I believe Rajeev sir is not able to hear us.

Ankit Setia: Maybe he would be joining in another, maybe 2. 3 minutes.

Ajay Thakur: Sure. So, we'll wait till then.

Ankit Setia: Not a problem.

Ajay Thakur: Hi Rajeev Ji, are you able to hear us?

Rajeev Setia: Hello.

Ajay Thakur: Yes, Rajeev sir.

Rajeev Setia: Yeah, because you were not audible to us. That was the problem. I don't know the.....

Ajay Thakur: Acha... you are able to hear us now.

Rajeev Setia: Now, you're perfect. I believe me too.

Ajay Thakur: Okay. Sir, we'll start now. I will introduce and then we will begin.

Rajeev Setia: Yeah, yeah.

Ajay Thakur: Okay. So, on behalf of Anand Rathi Shares and Stock Brokers, I welcome all the participants to Chaman Lal Setia Exports Limited Q1-FY24 earnings conference call. Today we have with us from the company's side, Mr. Rajeev Setia, who is Joint Managing Director. We also have Mr. Ankit Setia, the executive director and Mr. Sankesh Setia, who is also executive director. Without, you know, wasting much of the time, I would like to hand over the floor to Mr. Rajeev Setia for his opening comment and followed by a Q&A session. Over to you, Sir.

Rajeev Setia: Morning, everybody. I welcome and thank everyone for joining us on Q1-FY24, earning call and I know the biggest million-dollar question in everybody's mind is the fall of revenue in this particular quarter and at outset, I would like to explain that. There have been two factors for this issue. The first and foremost is this flooding and weather conditions which happened. It not only hit our home states, Haryana, Punjab, UP and other parts of Uttarakhand and this area where basmati

is grown. The port of Gujarat in particular because of Biparjoy was affected. All our shipments were almost held, I can say almost our last month of the quarter was almost washed out. Whatever the sale achieved in that quarter was dispatched of second month May. They formed the part of for last quarter sales; so it was like I can say almost two months' sale or two and a half months' sale, whatever we define it. This is one of the major reasons. Apart from that there was some commercial reason also. The prices of basmati, which I indicated in last year earning call also, the prices had suddenly come down and it is natural for any business when the prices start coming down, people wait for the bottom down of the prices to come for the buying and that's why there was a bit slow, lukewarm attitude from the customers also. Yes, but it helped us other way. The low prices was kind of an opportunity for us. The company procured a lot of material at low price which added to the very high profitability, highest level profitability, of the company in this particular quarter. So, this is blessing in disguise for us. So, this is how it happened.

Now I'll come about the crop. The paddy crop in the state of Haryana and Punjab, UP and Uttarakhand is victim of floods and a very heavy downpour. We are not yet sure about it. There is no identification of non-basmati area under paddy and basmati area under paddy. There are no correct pictures available, but one thing is there; I checked with the BEDF, APEDA; the basmati rice can be grown till 15th of August. There is a possibility that can be grown till that period and as regard to non-basmati which is a MSP kind of rice; that is not possible to grow because that is grown in the month of June, till 15th June and basmati is grown in the months of July, after mid-July, it is sown and if the climate is conducive it can be grown as per that BDS.

As regard to the present scenario, which you must be questioning that ban by the government; the Government of India has banned non-basmati varieties and non-basmati varieties apart from MSP varieties and other coarse grain; it includes high value non-basmati varieties also which includes Sona Masoori which is very important and famous for South Indian people living abroad. Apart from that Swarna rice is there, Ponni rice is there, Black rice is there, Kala Namak rice is there. These all kinds of.....they fall under non-basmati category and so are prohibited. This is going to be again unfortunately or fortunately boom for basmati rice because basmati rice is likely to become substitute for all these varieties. So, we feel because of this reason and it depends how much the crop comes; these two factors will matter. The ancient crop and this in particular substitution by basmati. This is how we feel the prices will remain either high or stable at the present elevated levels.

Now, let me address highlights of the first quarter. I'm delighted to share that we reported strong margin profile because of the opportunity of procuring at the lower prices in the beginning of the current financial year, which I said earlier also. It was also highlighted in my previous earning call. The very positive factor, which

came for the company, not for this quarter, but for future also, the rice suits well for diabetic which is which is robust in this quarter surpassing the total sales, the entire sale of FY23, which was 7% to 8% and in this particular quarter we have 17% sale of rice suitable for diabetes, which is the dynamic achievement. It's a very good decision of Sankesh and his team. They participated in one exhibition in such part of the world where they got very good response and very good distributors were set up. And this rice admittedly gives us a better profitability and it will help in sustaining our profitability in rest of the year too.

Yes, there is another factor which I not totally explained, regarding the fall of exports, 16% year on year. In the proceeding corresponding periods, we had been exporting broken rice to China. The fall of revenue is about 16% because the broken rice has been prohibited by the government. And the other factor I have already explained is Biparjoy, which affected our sales of this quarter and however, the profitability is all time best for this quarter. In my opinion, I have said it in the past also the real and true marker of a business is profitability, not only turnover and now I will hand over the call to Mr. Sankesh Setia to take you through the key highlights of Q1-24. Thank you. Sankesh.....

Sankesh Setia: Hello, everyone. Good morning. I hope I'm audible. I'm clear enough.

Rajeev Setia: Yeah, you are clear.

Sankesh Setia: Okay. I would like to first inform Biparjoy is name of the cyclone as it wasn't mentioned by you. So anyhow, coming to the key highlights of Q1-FY24. First, I would like to welcome everyone and thank you for attending this meeting on the call on Zoom. So Q1-FY24, our operating revenue has been declined by 36% year on year and 26% Q on Q to Rs. 263 crores due to the reasons explained by Mr. Rajeev Setia. With our more than four decades of experience and constant focus on operational efficiencies have resulted in the expansions of our margin profile. The gross profit for Q1-FY24 is at Rs. 66.5 crores down 28% year on year and up by 3% Q on Q. Gross margins expanded by 285 BPS year on year and 722 BPS Q on Q to 25.3% in Q1-FY24. EBITDA was up by 17% year on year and declined 20% Q on Q to Rs. 38.7 crores. The EBITDA margin has been improved by healthy 664 BPS year on year and 109 BPS Q on Q to 14.7% in Q1-FY24. Profit after tax was at Rs. 27.5 crores in Q1 FY24, up by 23% year on year and down 27% Q on Q. EPS for the quarter stood at Rs. 5.3. For the quarter, our export sale volume excluding China declined by 20% year on year and export sale value excluding China declined by 13% year on year. China included 34,735 metric ton non-basmati exports in Q1-FY23 post which Government of India prohibited export of non-basmati rice in September 2022.

In the current quarter, Asia Pacific region contributed 35%, Middle East and Africa region contributed 50%. American and Europe region collectively contributed 15% to the overall sales. Average export realization for the quarter stood at Rs.

92.8 per KG for the whole quarter. Our flagship brand Maharani sales as a robust quarter contributing around 17% to the overall sales. The branded sales grew by 83% year on year. Our focus now turns to our brand and a new performer like rice suitable for diabetes and brown rice segment to sustain the growth of this momentum. Rice suitable for diabetic has contributed 8% to overall sales in Q1 FY24. These products continue to be well received by consumers, providing us the confidence that this product will fuel the company's next leg for growth. The company is growing the export market and has made a remarkable progress in countries like Yemen, Israel, Mauritius, Egypt and Canada. Overall, we are encouraged by our start and remain confident about delivering good performance this year. With our robust on-ground execution capabilities, strong customer relation and increasing distribution reach through exhibitions and a lot of traveling, we believe we are well positioned to achieve sustainable growth in the medium to the long term. With this, I would like to open the floor to the questions and answers and thank you very much for listening to me.

Rajeev Setia: Before opening the house, I would introduce my nephew and ED of the company, Mr. Ankit Setia, who our company sales were around 300 crores when he joined as a director, and he is the key factor of improving sales to 1000s crores. He is a very dynamic in sales and very disciplined in handling the affair of rice milling and I would like him to speak for few minutes and then we'll immediately open the house for question answer. Over to Ankit.

Ankit Setia: Hello everybody. My voice is audible.

Rajeev Setia: Yeah, sure.

Ankit Setia: OK so I see very good quarters. The last quarter, if you see the ending quarter, January, February, March 2023 was a very strong quarter and even June, July, August quarter, if you see the difference in revenue has come only because of the broken ban, the difference which came because we could not supply broken rice. Otherwise, the quarter is absolutely the same what it was in terms of revenue. The difference you can see the percentage of profit has gone up. It is around 14% like my Chacha ji said we were able to procure the rice at very low point and that has helped us. You can see in the entire years the revenue and the margin on it on profit was extremely good. Regarding this quarter, which has just ended, margins were very good, which is visible and even the next quarter, the coming quarter, we have the stocks, the stock value is low and we are doing good revenue even in the next quarter and I think you will see very good results. About the next year also, because there is a ban now on white rice, so the only focus of the buyer is basmati rice, which is our key area. And because I think the next year also is going to be bullish, I see very strong results even for the future for the company, like Sankesh said, now our focus is to increase the sales of brands; so this is the challenge we have taken up and I think within few years you will see the percentage of revenue will

be coming maximum from branded sales. So that is all what I wanted to say. Thank you.

Rajeev Setia: The house is open for question answers.

Ajay Thakur: Hi everyone, so anybody wishes to ask a question can raise their hand and participant wishing to ask a question can raise their hand. We have a question from Yogansh Jeswani. Yogansh, you can unmute yourself and ask your question.

Yogansh Jeswani: Hi Sir, Yogansh here. Am I audible?

Rajeev Setia: Yeah.

Yogansh Jeswani: Firstly, Sir, congratulations on a good set of results, even in a difficult environment. So, Sir, like you were mentioning about the inventory pricing that it is at a lower level and then we saw this ban coming in, so it might have affected price and you know, the prices would have been very volatile. So, if you could talk a little more about that what is the situation of some inventory and then how much inventories would be in the books and what would be the average pricing and what would be the average of basmati and paddy in the market.

Rajeev Setia: Yeah, I would like to answer. The prices of rice had gone around 107-108 rupees, prior to a year and 31st or around that period. Of course, we had factored these prices while selling our commitments work with reasonable profits. But, as I mentioned in the last earning call, the prices are coming down. This was questioned by a couple of investors, and they knew their prices are coming down and I admitted the prices are coming down. How they are going to affect us, it was also questioned. You never know the future, but the moment this ban was declared, or it was in offing, I mean, sometimes you must come or the news channel starts speaking, the prices started going up. Now the price which was 106-107, I'm talking of 1121 basmati raw rice had gone to 108 suddenly and the lowest price had come to 90 rupees, it came to 90 and from 90 it is 110, so it's a considerable increase. Of course, company is maintaining very good stocks.

Ankit Setia: Can I add something? Hello, Chacha, can I add something?

Rajeev Setia: Yeah, sure. Go ahead. Okay.

Ankit Setia: What is your name, I'm sorry? I didn't catch your name.

Yogansh Jeswani: Yogansh.

Ankit Setia: Yogansh.

Yogansh Jeswani: Yeah.

Ankit Setia: Okay. So, Yogansh if you understand the rice business, there is one crop in one year, okay. So, the next crop has started to come in. It is in the early phases. Less crop is coming. More mature crop will come in September. October, it will pick

up and it will peak in November. So, if you read any law of manufacturing, it says that you know you should be just in time for your raw material. So, the raw material should come in the morning, you should process it. You should sell it on cash by nighttime, right. Raw material should get on credit, and you should sell it on cash. This is the law of manufacturing. But in our business because crop comes only once in a year.

Yogansh Jeswani:

Sorry.

Ankit Setia:

Crop comes once in a year, you get the best prices when it is October, November. Because then after that for the next, let's say 7-8 months, you will not get the raw material. So, by the time, you know, new crop is coming it is better to finish your old stocks. This is common sense that when the flood of crop will be coming, when the blood of crop will be coming, the prices will be lower, so no point, you know holding the old crop, which will be carrying the interest cost, which will be carrying so many other costs, warehousing cost, you know. So, now is the time, now is the quarter you should, you know get rid of all the stock you have, you should be cash rich and you should buy the new raw material at the lowest level. So, you asked, what is the current stock level? We have sufficient stock level to last the next quarter. We have sufficient stock level to last the branded business which requires old rice and moment we will touch the next quarter, we will be ready with our money, with our cash flows to jump on the raw material at the lowest pricing. So, that is why you can see you know the interest rate of the company is also very low. And we have fixed deposits for the company, which is only possible because you know we are getting rid of the expensive old raw material we have and we are jumping on to buy the new raw material at lower prices. I hope I answered your question.

Yogansh Jeswani:

Yeah, absolutely. So, I think you were fairly right on every single aspect that you touched upon and in fact, I've been invested in this company and tracking it for almost 6-7 years now. So, I've seen the entire journey of how we have come in to become, you know, cash rich company. I've seen that every year, half year we have, you know place we have sufficient cash. I think instead of paying interest, we're getting interest from banks.

Ankit Setia:

So, you can see yourself. Let's say I picked up raw material, average price about 40 rupees last year in November, for example. If I keep it for eight months, that raw material will become at least 48 rupees because interest part is one part, there is warehousing part, the paddy itself, you know, there is weight shortages, there are various issues. So, 40 will become 48 and by the time it is October next year, same thing I will get at 35-40. So, if I'm carrying a big inventory, it is very difficult to, you know, make profit on that.

Yogansh Jeswani:

Right. Sir, the intention was not to ask you how big an inventory you are keeping, it's not keeping in mind that KRBL or the LT Foods of the World are having

thousands of crores of inventory. In fact, what we like about Chaman Lal is the lean inventory system that we have, the lean balance sheet that we have.

Ankit Setia: Right, right, right, correct.

Yogansh Jeswani: So, basically the concern was will we get hit by any inventory losses this quarter because the prices have been so little or we still have that lean inventory in the system, that was the intention for us.

Ankit Setia: Like I mentioned for the quarter, we have sufficient amount of.....

Yogansh Jeswani: I think, yeah. You, touched upon it so.

Ankit Setia: For the branded sale where you know old rice is required even after this quarter, we have raw material. If some quantity is short, that can be easily bought, so we are again light, we don't have to, you know, we're not a fat company sitting on too much stock and moment the new crop comes in the mature one, we'll be jumping on it at the lower price.

Yogansh Jeswani: Right. So, Sir if we move away from the inventory discussion now and I'll just take you to suppose say the trajectory that the company is on. So, I think for last I think if we go back 6-7 years, we were at a 400 to 500 crore range. Then there were 3-4 years wherein we were at 700 to 800 crore range. Now, this year onwards we have crossed thousand crore, 1300 to 1200 crores. So, going forward, say next two or three years like you mentioned, you want to take a branded as a challenge and you want to take up diabetes as another product line. So, going forward next two or three years, where are your efforts towards and what is the kind of trajectory that you want to take up for growth?

Ankit Setia: You know, Yogansh, my idea is just the bottom line. I follow the bottom line. I never follow the top line. I am more concerned that I don't pay any bank interest. I buy my raw material at the lowest level. I get the best quality. I manage my bottom line. Top line will manage itself, like you can see in the past. I don't want to give you any false hopes. I don't want to say I'll become a 2000 or 3000 crore company. It will follow. My intention is to buy raw material at the lowest price, best quality and I want to manage the best bottom line for my company. Top line is not the issue.

Yogansh Jeswani: Fantastic Sir. That's a great way to drive business and I think that shows in your return metrics and your profitability cash flows, you just pick up any single metric and you guys have done really, really well. So, Sir if you can just touch upon the branded business, how you are planning to scale it up because branded is not a very easy thing to do and historically Chaman Lal has been a strong peer in branding, I think today if I'm not wrong, must be less than 5% in our overall business, right? And it's not easy. It might require you to burn a lot of cash. It might require you to do something differently from what you have been doing. So, just a

broad thought process on how you want to do it, how you want to take it off as
.....

Ankit Setia: You know, branding is like, okay chacha please say.

Rajeev Setia: Ankit, Ankit let me answer. And you can carry on when I'll stop, hmm. If you see the first quarter, the rice suitable for diabetes, one of the premium rice and it has more margins as compared to conventional rice. The same in the first quarter itself is more than the entire year of last year. So, it is very remarkable achievement toward our own brand, one. Secondly, we are setting up a team for domestic sales also and as I said in the last call to begin with we will go with the strong distributor instead of burning money to go into the retail market, a high advertisement on that, that will follow when the conducive time will come, not immediately and as regard export is concerned, Maharani is already in 38 to 39 countries, which Sankesh and Ankit are handling and I'll ask Sankesh as well as Ankit to two-minute reply on this issue, how they wish to expand branding sales outside India, of course, the domestic I've already told you. Ankit please.

Ankit Setia: Okay. I think Sankesh can give figures. What is the percentage of branded business we are doing? I think he will share the percentage figures with you. See, branded business is like, you know, raising a baby. It cannot happen overnight. So, we are trying our best and my target is within a few years to increase the percentage level to at least 55% to 60% of our entire revenue. I think this is what my competitors also have achieved. This is the maximum you can do and I think in a few years we would manage that.

Yogansh Jeswani: Great Sir. I think I'll get back in the queue and let others ask.

Rajeev Setia: Yeah, please.

Ajay Thakur: Next question we have from the line of Mr. Meherwan. Meherwan, you can unmute yourself and ask the question.

Meherwan: Yeah, hi. Good morning and thank you for taking my question. So, basically, I was just looking at the loss in production or the loss in sales that we had during the first quarter. Do we expect to need this up in Q2 or is loss sales just loss sales?

Rajeev Setia: I would answer. It is a very peculiar period. You see, when these Biporjoy signs were announced in the beginning of June, end of May, the news was coming a very strong cyclone is likely to come. Then, I talked to my clearing agents those who are sitting in Gandhi Dham and one of my clearing agent, he is from Orissa direction, and he has, in all life, seen the cyclones and he was telling me, Mr. Setia, this year they will be very hard on us, cyclone. And a lot of cargo for many people has been destroyed in the warehouses. Luckily, for our warehouse, we had not a single loss. Many sheds were off of many people and the entire system was stopped. Truly speaking, it's like washing out of one month sale approx. So, it will come back. It's just happening which happens once in a while. I saw the cyclone

of 97 also. I went myself in Kandla. I saw how many people dead bodies, so many dead bodies on the streets. I saw obnoxious smell and tough time. No water, no electricity, nothing because sea area is prone to these things and export will happen through sea route only. We have no other option. So, it's just a matter of chance and yes, this corresponding quarter of China sales were coming. We know that they were predicted in September, and we had already stopped our own sales to China at one point of time because it was giving hardly any margins to us. As Ankit said, we care for our bottom line, and I also said it earlier in past meetings and today also that true marker of any business is profitability and that has to be there for sustainability and long growth, and it will very easily come. We are in next rice because as a businessperson, we personally don't see the quarters. We always target our annual performance.

Ankit Setia: Yeah, I'd like to.....

Meherwan: No, and if I were to look at your other expenses, they have moved up by about the 10 crore on a Q on Q basis. I thought they'd be lower since we've had less export, shipped out, etcetera. So, I was wondering what was the reason for that?

Rajeev Setia: One second.

Ankit Setia: Okay, Meherwan, I like to add what my uncle just said. See, understand little bit about rice business, right. It's a game of demand and supply, okay. You put a ban on white rice there is, you know, there is a chaos in US. You must have seen the news also.

Meherwan: Yeah, we have seen the clips, yes.

Ankit Setia: Right. So, what happened when there is a chaos in US, all your US customers will be after your life to ship them rice.

Meherwan: Correct.

Ankit Setia: Right. So, you'll see a quarter where you know too much rice will go to USA.

Meherwan: Hmmmm.

Ankit Setia: And then let's say somebody with, you know, let's say someone who can absorb one container, he will absorb 3 containers and then he will be silent for the next one or two months. So, what I'm trying to say is rice business the way we are doing it, it is not possible to have like quarters where your revenue is almost similar. You will see some quarters where you know the revenue is going to go up. There'll be some quarters where revenue is going to come down because this business is demand based. Right now, there is a transition from higher price to lower price. So, the intelligent customer will only buy what is required because everybody knows that in November the prices of raw material are going to go down. So, if you know that, for example, tomato prices are up right now, if you know that next month tomato prices are going to go down, maybe you will start buying less. So,

similar is rice business. It's a commodity business. The intelligent buyer will reduce his buying in this quarter.

- Meherwan: Right.....
- Ankit Setia: But having said that, exceptionally because of the ban of white rice, even in this quarter, there is too much demand. So, if you compare it with last year quarter, you will see this quarter is going to be very high.
- Rajeev Setia: And your question about expense.
- Ankit Setia: Chacha, will tell you about expense.
- Rajeev Setia: Yeah. Quarter on quarter it is less by 27% in totality. I don't know if you are asking for some particular expense, maybe that if you can point it out and?
- Meherwan: No. See other expenses are 24 crore versus 10 crore, if I were to look at it on a quarter on quarter basis.
- Rajeev Setia: But I'm counting the total. It's 27% less, negative. This is what my calculation is on my front.
- Meherwan: Okay Sir. Sir, would you have something like that?
- Rajeev Setia: Or I'll ask my team to look at if there is anything..
- Meherwan: Sure Sir, because...
- Rajeev Setia: In another 10 to 15
- Meherwan: And other expenses, I thought the cost of transportation would have come down on a year-on-year basis?
- Rajeev Setia: That has come down, I admitted that has come down.
- Meherwan: They are down sharply. They are down from 55 crores to 24 crores, but I was just seeing on quarter on quarter basis there was like an increase, so that is what?
- Rajeev Setia: Quarter on quarter expenses are less.
- Meherwan: Other expenses, just other expenses.
- Rajeev Setia: Okay. I'll look into it also.
- Meherwan: Sure, sure. Sir, and do we have an annual target for volumes in basmati, which we could share or a growth target at least?
- Rajeev Setia: Annual volume, annual revenue, it's one and the same thing if that will grow, that will also grow. Of course, you see nothing at the cost of loss. I know the people in the industry, they are working at the break even with 400 crore 300. I'm not talking about listed, even unlisted companies also, that is not our way of business. Every

single container going out of the factory we calculate. We earned or we'd lost. Every transaction that is the way of business because Mr. Maheshwari, I am not sure if you have more acquaintance about our industry. In this industry, a lot of people lost money, a lot of people.

Mr. Maheshwari: Right.

Rajeev Setia: There was bloodbath in this industry, but we sustained because of our principles.

Mr. Maheshwari: So, we've done quite well.

Rajeev Setia: We are one of the oldest. Since 1974, we are into rice business and from 77 we started setting the domestic market. In 82, we started exported. In 89, we became exporters. In 95, put up a new unit in Karnal. We had to move from Punjab. So and so forth, It's a step wise, slow and steady wins the race story.

Mr. Maheshwari: Right sir. Thank you so much sir. Wish you all the best and that was all from my side.

Rajeev Setia: Thank you. Thank you.

Ajay Thakur: Before we take the next question, I have a question on the chat box from the line of Mr. Rishikesh. He wants to understand what is a branded sales as a percentage of revenue in Q1-FY24 and what branded sales target do we have for FY24 and 25?

Rajeev Setia: We'll answer. Yes, let me answer. If we compare quarter on quarter preceding last year, even the annual sales of brand are 7 to 8% in the entire year and in this particular quarter we have achieved 17% of our flagship brand Maharani Rice. So, this is the beginning of the trend and if it went on and it will definitely go on because of the few new distributor who have shown a lot of interest in Maharani, and they bought. Even the Russia also has started for our brand recently. So, we expect the brand will grow. Domestically, we are doing, grow and Ankit has said around 50% sales as a target. This target at least to some extent we will definitely achieve because even the investors like you have encouraged us that we have to go for brand and we have made it a target. We have prepared a team for domestic sale and international business. These two boys Ankit and Sankesh are working hard on that.

Ajay Thakur: The next question from the line of Mr. Rishikesh is what are the EBITDA margin for the branded products?

Rajeev Setia: Specifically for any brand, EBIDTA is not calculated but there that because in this particular quarter the sales of brand are up, obviously EBIDTA must be high but specifically for the brand in the entire performance it is not calculated, brand margin is high otherwise and this particularly is suitable for diabetic is high price rice as compared to conventional.

- Ajay Thakur: Okay. So, we will move on to the question queue. The next question is from the line of Richa. You can unmute yourself and ask the question.
- Richa: Am I audible?
- Rajeev Setia: Yes, ma'am.
- Richa: Sir thank you for the opportunity. Sir, my question is I just wanted to get a bit more understanding about this rice ban because most of the procurement you know happens, the peak is November as you said. Now, knowing the situation, do we expect the paddy prices also to go up and considering that the liquidation will happen over a period of months and by then we don't know what the end prices would be, maybe the ban would be lifted. So, what is your confidence on maintaining the gross margin at 25% level?
- Rajeev Setia: You see, it still matters. The satellite data of the entire basmati crop is yet to come. It is yet to be correctly seen how much is destructed with the flooding and how much, because no, as I said earlier, that non-basmati is not likely to be grown. But yes, basmati variety like 1509 or anyone can be grown till 15th August that can be, plantation can take place. Now, it's the commodity business. It is one product once in a year basmati counts, it depends upon the entire size of the ground. How the prices will come that that cannot be that can be visualized, of course, but that cannot be with some determination cannot be said that what will be the prices? Now, it depends if the prices are high at the point of buying it is not in our favor. If the prices are lower at the time of any business at the time of procurement, the prices are low, they have. And sometimes you know what happened, the prices are high and they are absorbed by the foreign customer, again it gives money. So, it's a very subjective question, but we are with our experience of so many years, we know we will perform well. We'll buy very right time, we will sell right time, and there we are not into paddy buying and manufacturing and exporting. We buy a lot of rice from the market. It's traded goods and we recondition that and export. A lot of new rice mills have come, and they're newcomers, we are their customer. We know we'll get a lot of rice also. So, we can maintain our performance.
- Richa: Okay and sir in the recent quarters you have spoken about you know some of the innovative varieties which can be cooked very fast within a few minutes. So, any kind of progress or development or updates you would like to share on that?
- Rajeev Setia: Ankit, you are there.
- Ankit Setia: I'm here.
- Rajeev Setia: Ankit you better answer.
- Ankit Setia: So, Richa, can you repeat your question, please? You're asking about your questions.

- Richa: My question was about, you know, the innovative variety for which I think you were also looking for patents which can be cooked in 2 minutes, rice that can be cooked in 2 minutes or vitamin fortified rice.
- Ankit Setia: Right, right. Right. Right. Right. Like diabetic rice. Like we've just experimenting on smoked rice. We keep on doing these kinds of things, yes.
- Richa: Okay. So, but do you expect this to be launched, you know, in this year or you know some timelines, if you could give insights on?
- Ankit Setia: You know, we keep on launching new products which we are innovating. We have a very strong R&D team, and you can see the you can see what we've achieved with diabetic rice, like, Mr. Sukesh said, the sales are going up, revenue is very good. The bottom line also very good with the brand.
- Richa: Alright.
- Rajeev Setia: Richa, I would like to add we have come out with the one for a brown rice which is quick cooking because normally the natural brown rice takes 30 to 40 minutes, 35 minutes to cook. And nobody has patience to cook that so long and it takes more fire, and it even destroys some of the vitamins with overcooking and my brother Vijay has worked so hard on this rice and our rice cooks in 12 to 13 minutes. Ankit am I right.
- Ankit Setia: Absolutely right. We're trying to reduce it to 6 minutes.
- Rajeev Setia: You're trying to reduce it, but right now we have already achieved 10 to 12 minutes, which is a normal time, conventional rice also cooks in this time. So, this brown sales, we are quite confident that we'll sell. That would increase our sales and rice to diabetic has always taken off. So, and the other quick cooking and all that, they're in lab experiments as yet and for commercial production, let's see when they come, right now that cannot be predicted, maybe one year, one and half year next year or max two year but that will.
- Richa: Okay, all the best for that and sir please correct me if I'm wrong, but as per my understanding, in FY21 the overall share of branded rice, all the brands combined was around 21 percent. Is that understanding correct?
- Rajeev Setia: No, no, not 21% in this particular. No, no repeat. Did you?
- Richa: So, I was just, uh, you know, going through some notes on the company from different sources. And one of these suggested that in FY21, the share overall branded share, you know, all the brands, not just Maharani was around 21%. So I just wanted to know confirm if that is correct and if yes then what is the combined? Share of all the brands let's say in FY23.
- Rajeev Setia: This in FY21 our branded sale including all brand was 8 to 10% and in this particular year I have specifically calculated this Maharani which is flagship which

we are targeting always is 17% and of course 2-3% would be the other brands also what you say 20-21% is right.

Richa: Okay. Thank you so much. All the best.

Ajay Thakur: Next question, we have from the line of Mr. Sidharth. Sidharth you can unmute yourself and ask the question.

Sidharth: Hi everyone. I'm audible?

Rajeev Setia: Yeah, you are Sidharth.

Sidharth: Yeah. Hi, Rajeev, Hi, everyone from Chamanlal Setia. My sincere gratitude towards how you have grown this company to this So, my question is about our international business. So currently if you see right, we are growing, getting into new geographies and we are getting new businesses, right, so. If we see LT foods and KRBL also, they are able to grow their international business. So, it's more or less kind of a pattern, at least in the listed space. But if I see the basmati exports for the last five years, which you presented in your investor presentation. Volume wise, it's more or less flat for the last five years. So, my question is, from where we are getting these new businesses? Is it something like, you know, other weaker players are getting out and you are getting their share from the market, or is it the market is really growing, and you are getting those share like from where we are getting this? And like is this a sustainable growth or what, like basmati, is more or less kind of matured market and hereafter you have to get share from other players instead of the market is getting bigger.

Rajeev Setia: Whom I am talking to you, Mr?

Ankit Setia: Mr. Sidharth.

Rajeev Setia: Siddharth, okay. Ankit I will reply, and you will add on to it. Look, if we want to increase the sales, it's the one-minute job. There are customers, those who are ready to buy a 5000-10000 ton. They are sitting in Saudi, Iraq these kinds of countries, but they don't let us at all. If you earn just 1%, 0.5%, 2%, you never know even by volatility of currency, you may end up losing money? Increase of volume and increase of revenue is not difficult at all in our industry. You can sell instantly, but that is not the way of our company. We have a very spread business right now in 92 countries, small consignment, maximum 10/15/20 container. Not beyond that. Even we entertain one container order also, 2, 5, 10. It's as regard risk is concerned it's the spread risk. If we lose 1 country, for example, we were exporting reasonably good quantity Ukraine also every month. But that country no longer exists for export. So, it did not hurt us. Had we been exporting to Iraq, Iran and Saudi Arabia, the big players and one goes out of that, and your business is dead behind?

Sidharth: Rajeev, sorry to cut you short.

- Rajeev Setia: Yeah, please.
- Sidharth: My question is more about industry level so. Yeah, I understand our company and philosophy like you are not focused on just the top line, right? So yeah, I could see this in results, but I'm more interested in how is the trend like, because if you see right, the export remains if you see Indian export data, it remains flat. Right, so it's my question is like this market is really growing for basmati or every player, bigger players are going out and you know better players like us getting into their.
- Sankesh Setia: Actually, I can. I understood your question. This is Sankesh Setia, I'll just answer your question very quickly. Your basic question is either we are getting sales by killing our competitor or are we getting the sales high because basmati share is growing. Am I right?
- Sidharth: Yes, yes.
- Sankesh Setia: So the basic thing is they both go hand in hand. First of all, yes, Basmati's share is increasing. Basmati wherever it goes to whichever geography, whichever country it enters people get a very quick habit of basmati, and if you look at last 10 years, I've seen myself where countries were buying about 5 to 6000 tons of basmati and today, they are buying about 50 to 60,000 tons of basmati, which is almost 10x. So, yes, basmati share generally, is also growing every year, but also yes since we are one of the largest private labelers from India for basmati and then we also supply a brand. So, a lot of competitors are not able to compete in our kind of service what we provide to our customers. They're not able to provide. So, automatically a lot of business in all the geographies where we are present does come to us. It's because of the packaging because of a lot of aspects because of a lot and everything. So, we do get business, you know we try to capture how much we can and there is no over commitment you know because a lot of competitors do a lot of over commitment in terms of basmati rice business, and we are very loyal, straightforward without any wrong commitments. So, whoever works with us is always with us and we take care of their brands in terms of OEM. And yes, so it's both you know it goes both ways. So, we do get business from our competitors, yes. And we, of course, the basmati share is also growing. So, it's both ways. It's not one of the things.
- Rajeev Setia: No, but it was a little different question. Sankesh, let me explain the gentleman. The Indian entire export is 4 to 4.5 million ton. That is the issue. Does it expand to 5 million, 5 and a half, 6 million tons out of the 8 million ton, 6 to 7 million ton is the crop size. Some years we made 8 million ton. Okay, if the entire, the pie increases, means it goes to 6 million tons then everyone has a scope. This kind of a, right now it is 4.5 or 4 million ton. We are snatching from each other, but the overall country exports remain the same. I think that's the question. Am I right?
- Sidharth: Yeah, yeah.

Rajeev Setia: That was your question, Mr. Sidharth?

Sidharth: Yeah. Yeah, kind of, yes.

Rajeev Setia: Yeah, but one thing I would add here, it is gradually growing. Gradually it's growing. And Pakistan I believe is no longer competitor and it will grow in the coming years.

Sidharth: Okay. Yeah, thanks sir, yeah and yeah, I could see you know the patience and commitment of your family towards this business. So yeah, just all the best for

Rajeev Setia: Yeah.

Sidharth: Thank you.

Ajay Thakur: Thanks, Sidharth. The next question is from the line of Dhiral Shah. Dhiral you can unmute yourself and ask the question.

Dhiral Shah: Yeah, good afternoon, sir. Thanks for the opportunity, Sir, as you're looking to increase your branded, you know, retail business. So, my question is, sir there are already other brands you know who are there into the market so what differentiation you know we are trying to bring into this?

Rajeev Setia: Ankit and Sankesh you both answer this. Ankit, you first.

Ankit Setia: Okay. So, you're saying there's already competition in the market. There are already too many brands in the market. What can we do to you know increase the?

Dhiral Shah: Exactly. Exactly, sir.

Ankit Setia: So, I think in India maybe there are only two brands. One would be India Gate and other one will be Daawat. Still there is a lot of scope, there is a lot of gaps. There is a lot of void to be filled. This is my first point. Second point is the good thing about India is the demand for basmati rice is growing and it's a big country. There is still a big scope for us to grow.

Dhiraj Shah: Okay.

Ankit Setia: So, I don't feel there is any competition. This is what I feel #1. #2 if you see Chaman Lal Setia, we are a light company. We are not heavyweights like our competitors. So, in terms of pricing, in terms of service, in terms of relationship, I feel we can do better than them.

Dhiral Shah: Okay. So, what sort of investment you know you will be required you know to set up like the marketing team or a distribution you know network you know for increasing our branded retail sales?

Ankit Setia: I'll give you an example. We have a distributor in Saudi Arabia. We are distributing Mithaas brand through him. And we are distributing last, I think seven years. And

sales are growing. I said before also branded sale is like raising a baby. You cannot you know; you cannot just escalate the process. It is a slow process, and my target is in next few years, we will try to achieve 50% of our revenue as branded sales.

Dhiral Shah: Okay, so what kind of investment this should be required?

Ankit Setia: There is no investment required. It is just the time which is required. The infrastructure is ready. We are already doing non-branded business through that infrastructure. The same infrastructure will be used to pack branded rice.

Dhiral Shah: Okay sir. And so once let's say once we reach the 50% of the sales from branded retail, so how this will improve our margin overall?

Ankit Setia: If you look at the branded business we are doing, we do good margins through it. So, of course if the percentage of that goes up the, of course the profitability will go up. You can see KRBL they are doing branded business. What kind of profits they are doing, those are, I mean those are achievable, once we are also you know branded, more branded I would say.

Dhiral Shah: Okay. Sure. And sir last one thing, sir, we have seen that we have increased our gross block substantially from FY22 to FY23. So, if you can give the details of where we have actually you know, increase our capacity or what we have done, you know by increasing our gross block?

Rajeev Setia: I will answer. We have two kinds of capacities. I have explained in the past also. One is paddy to rice manufacturing. We have 4 plants, because in the existing plant there is improvisation, and the capacity is very high. Each plant can mill about 60-to-70-ton rice per day and in all four it's reasonably good quantity. Apart from that, we have packing, processing capacity. We buy a lot of rice from supporting mills or small mills. Those who are with the limited cash flow. They manufacture their rice and next they sell. There they don't export, they don't market, they sell loose rice. So, we are buyer for that. We buy as per our own specification, quality checks and all that factory. If it is rice, is good is ours. If it's bad, it's his choice. We make the payment in 2 to 3-4 days by deducting 2% cash discount. We get a good margin on that, whereas the interest of preservation from the bank is 4 to 5 to us. So if we have more demand we have hardly any capitalization. We put two more sortex plants, what do they cost? 2 crore rupees, one and a half crore, 2 crores rupees. We can increase the capacity very quickly. So, we have enough we have 28-acre land of the factory, and we can install. Sankesh

Dhiral Shah: Sir, with this CapEx, how much we have increased our processing capacity?

Rajeev Setia: We can have best. Sankesh, don't speak. I mean, put on mute if you are talking somewhere else. Look, we have the best, the real marker of the capacity is how much outgo per day. We have the capacity to send 24, 23, 25 containers every day. This is what we have checked. That's the real capacity. Capacity doesn't matter what is produced and where, what we can pack and dispatch is the real capacity in

my opinion and we, Ankit how many containers highest we did in any day, if you recall?

Ankit Setia: I'd like to say something before.

Rajeev Setia: Yeah, go ahead.

Ankit Setia: To the number of containers, we are doing every day. See if you look at the profile of Chaman Lal Setia Exports, we have the biggest customer profile. The number of APEDAs. APEDA is something where you know when you export to one buyer, you need to take APEDA from the government. Chaman Lal Setia takes every month maximum number of APEDAs. There is no company, rice basmati company in India which takes so many APEDAs, because the customer base is so big. We have customers starting from one container and we have customers taking 10 containers, 20 containers like that. So, when you're dealing with too many people, when you're dealing with too many customers, when you're dealing with too many SQ's, you need bigger, more number of production lines because there will be wastages, because you're going to change the raw material, you're going to change the packaging too frequently. If you compare it with another company who's dealing only with Iran or Saudi Arabia, maybe they are running one brand for 10 days. Maybe you know, the batch size is very big. They're running 3000 tons, 4000 tons, one brand. In our case, one brand can be 50 tons movement, 50 tons finishes. We have to start with the second brand. So, there are some losses and because of that, we have more number of lines. We are running 18 color sorters. So, with this kind of setup, still we manage 20, 25 containers every day.

Dhiral Shah: Okay. So, with this CapEx sir how many additional lines we have put up, just wanted to ask that, but how much additional line they have put up and how much this will increase that turnover?

Ankit Setia: See, we are running 18 lines. I don't know how much CapEx is involved in it, but these lines are not expensive. There is not much money which goes in to install them.

Dhiral Shah: Okay. No issues, sir. I'll take this offline. Okay, just to understand the details of this CapEx. No issue, Sir. Thank you so much.

Ankit Setia: The machinery part is not expensive to increase your packaging.

Dhiral Shah: But Sir, our CapEx is huge, right? We have almost double our CapEx of 50 crores gross block.

Ankit Setia: What is CapEx?

Dhiral Shah: So, 50 crore gross block is now going to above almost 110 crores.

- Ankit Setia: So, yeah, you are doing a turnover of 1300 crore rupees and I mean how do you expect me to manage 1300 crores? And you want me to grow also, you want me to become a 2000 crore company.
- Dhiral Shah: No, no, Sir, exactly so. So that's what I was asking, sir. How much incremental revenue we can generate from the CapEx that we have done? So, my question was that only thing first.
- Ankit Setia: You know, see lot of CapEx goes in improvisation of things also, not only what do you call in increasing the production or the revenue. I will give you an example, we've recently started investing in silos. Now this is better storage of raw material, and this is where you know a lot of money goes in. We've, I think, installed around 8 or 9 new silos. It is going to overall benefit us because we will be reducing our cost in crates, wooden crates which were used to, you know, store the raw material. So, once we put the paddy into silos, we don't need wooden crates, these wooden crates are very expensive. We don't need jute bags. Jute bags is very expensive. One jute bag is like ₹100. So, imagine 1,000,000 bags. How much can be the saving? But this saving will come maybe in the next two years, three years you will see on the balance sheet.
- Dhiral Shah: Okay. Okay. Thank you so much sir for the details.
- Ajay Thakur: The next question is from the line of Harsh Beria. Harsh, you can unmute and ask the question.
- Harsh Beria: Hi, thanks for this opportunity. I have a question for Ankit. So, the first question that I have is about our diabetic right segment. So, is this being only sold under our own brand or are we also doing packaging for other brands?
- Ankit Setia: Diabetic is strictly under Maharani brand, or we have one more brand called Rice Plus that is also owned by us. We don't do private label in diabetic, and we don't intend to do that anytime.
- Harsh Beria: And have we also seen traction in India itself from this segment?
- Ankit Setia: Say that again, please, I didn't get you. We are seeing what?
- Harsh Beria: Are we seeing traction in domestic sales as well from our diabetic rice or is it largely for export markets?
- Ankit Setia: As far as now. We are only promoting it in exports.
- Harsh Beria: Okay. My next question is a bit more strategic in nature. Like, I've been following the company for quite a long time and only in this call, I realized that our focus has kind of shifted towards doing more business in our branded segment earlier we were very happy co packaging for other OEMs or other brands. Whereas now it seems that the company's direction has kind of shifted towards manufacturing in

our own brand. Do you maybe want to talk more about this and why this strategic shift has happened and is this observation correct?

Ankit Setia: You know your observation is correct. The reason I can share what I feel is I look at companies with lower profitability than us. They are doing lower turnovers, lower profitabilities, I don't want to name anyone, and their market caps are higher than us. So, the difference I see is that they are into more into branding, and we are less into branding. So, we also want to, you know, become like them. We all we can achieve. It's not difficult, it's a matter of time. Our team is young. My brother is working very hard and moment we are 50-60% branded, then maybe the market cap goes higher.

Harsh Beria: Okay.

Ankit Setia: You get a bigger evaluation for our company. You look at the PB ratio, it is too low. The company itself is very rich.

Harsh Beria: I fully agree. Also, the way Chaman Lal has executed in this industry without having a lot of debt on the balance sheet and without raising equity for a very long period of time. So, on a very low capital base, the company has achieved a lot 100-crore. That is not a feat by any imagination and I feel the company is definitely undervalued and I value this strategic pivot which we have taken. Maybe you can also talk a little bit more about our branded sales distribution, like what is the kind of team we have set up for improving our own marketing?

Rajeev Setia: Ankit let me answer and do you will add to it. Actually, you see, there is one-part online sale that is going, but not considerably high to talk about. But yes, we are adding into. taking into consideration consultancies also that how to increase their sales one? Secondly, I said in the past also in India itself, there are many vacant markets, where our rice is not available, even with the distributors not to talk about mom-pop store and small shops. Because we are yet to set up new distributor in many parts of India, which we are about to do. And the way of sales will be not burning the money immediately. We will sell to the distributor, let him sell to small you know places. Our money is also safe with the strong distributor and the stage for advertising to make it a household name is a secondary aspect. We don't want to burn money now and not to get any result. 1st we have to have a distributor in every single big town of the country. Then they will be selling to marketing all around. Then the time of marketing and time of reaching each kitchen will come. That LT people, Daawat and KRBL have wonderfully done and there are just two brands. And India is a very vast market, a lot of vacuum is there. And the income of the people is coming up in this country. And as regards food is concerned, taste is concerned, quality is concerned, people don't mind paying high price and they show loyalty of the brand also when goes. I'm watching it in the online sales. This is reputation always. Once who buys 5 KG bag comes with the 20 KG packing also size. I mean 4 packings. So, this is gradually developing. We want to develop

without taking risk and without spoiling money. We don't want to waste money. We want to achieve and gradually, whenever the stage will be conducive, we will go for advertising in a big way. Ankit, you add to it.

Ankit Setia: I'm sorry I could not understand your question. Can you repeat it please?

Rajeev Setia: No, no. Ankit, the question I want you to speak next.

Ankit Setia: Right, but.

Rajeev Setia: How to increase domestic market? This Is the question. Branded sales, how to increase what is your vision to increase branded sales? This is the question. I have I have answered. I think you heard that.

Ankit Setia: I think you covered my point of increasing the number of distributors. That is the right way to do it.

Rajeev Setia: Yeah. That's all.

Harsh Beria: Thank you for answering my questions. I also see other people have questions and I'll let them ask. No questions. Thank you.

Ajay Thakur: We shall take the last question from the line of Aman Madrecha. Aman you can unmute yourself and ask the question.

Aman Madrecha: Yeah, hi Ankit. I have a question for you. So, I'm just trying to understand the strategy over here, as we have mentioned that we are going to focus on the branded sales and going to increase the contribution from the current 15% to around 55 to 60%. And if you look at the likes of the largest players. Like so the strategy that they are deploying is that they will hold the inventory. They will age the rice and then they will sell it. Then they will sell it so that that they will fetch higher realization. And as you know, the export market, niche market, and etc, They have the higher recall for the aged rice the likes of KRBL and if I name the player. So am I understanding it correctly that as you mentioned that we will replenish, we will sell the inventory before the new season arrives and we will try to replenish the inventory and buy at a cheaper cost. So where are we like, are we? Where are we in the value chain? Like, are we selling the aged rice or are we just trying to sell the rice? So that because there will be obviously a differentiation in realization between like for example if a 5-kg bag is sold for let's say Maharani brand if a 5 kg bag is sold for a India Gate brand. So, I'm just trying to understand the strategy like we are not focusing on the aged rice under the branded segment or where are we going some light on that would help a lot.

Ankit Setia: What I understand is your concern that without aged rice, how can we do branded business? How can we make money? Is that right?

Aman Madrecha: Not that thing. I'm just trying to understand like, where is the market placed like the export market is more concerned towards the aged rice thing or the export

market is more towards, like how is the market placed in both the terms? Obviously, you'll be able to do the business on both the things. But what is more lucrative like are you not looking to go for the aged rice thing and you're looking to stay in this segment only going forward?

Ankit Setia: See, let's say India does in one year, 5 million tons of basmati rice. This is the total size of the sales, okay.

Aman Madrecha: Okay.

Ankit Setia: I don't think aged rice would be more than 100,000 tons.

Aman Madrecha: Okay. In the total pie of 5 million tons, you're saying that it won't be more than 100,000 tons.

Ankit Setia: I think it would be maybe 75,000 tons, it is not more than that, maybe 100,000 tons maximum.

Aman Madrecha: Okay.

Ankit Setia: Right. So, it is not difficult to achieve. We have the brands. The sales are picking up. It is not difficult for us to age the rice. When they are required, we will have the raw material.

Rajeev Setia: Ankit, you are skipping one thing which I had discussion with Vijay. The rice, dry heat rice in raw form would be a big game changer for us that can compete even the aged rice, any top variety rice, any branded rice. This is what we think is going to do in the next season, I think you forget you check again. You forgot this. That is a game changer. This is what I've said in the past meetings also and Vijay said in the ensuing season, I'm totally fit for that, right.

Ankit Setia: So, what I'm trying to say is it is manageable what you're asking. I would like to add, I mean from the past questions, some reevaluation of our land, factory land was done. And during that revaluation, I mean it has been put on the company notice that I think the price of land from 25-30 crores, it has gone. Up to 85 crores.

Rajeev Setia:CapEx.

Ankit Setia: The land prices have gone up. I mean it has been put that can be seen in the PB ratio also. So, I don't know the exact figure, but it has gone up four times. The land, which is owned by Chaman Lal Setia exports.

Ajay Thakur: Thanks everyone for the participation. On behalf of Anand Rathi and Chaman Lal Setia, I will take that as the last question. Anybody who wishes to ask a question and who has a question they can actually write to Chaman Lal Setia investment relations team, the e-mail ID is shared in the presentation for the same. I would like to hand over the call to Mr. Rajeev Setia for his closing comment. Sir, you can close. You can take the closing comment and then close the call.

- Rajeev Setia: Yeah, thank you very much everyone who joined. If you have any other questions, you can write an email to us and we'll be glad to answer if something remains unanswered from us or somewhere misinterpreted, we apologize for that, and you can write to us. One thing more, if you go to YouTube and write Maharani Rice, you can visit our factory. It's already on YouTube. It will also give some idea about the company. That's all. Thank you very much.
- Ajay Thakur: We will close the call. Thank you, sir. Thank you everyone.

(This document has been edited for readability purpose)

Contact Information:

Ms. Kanika Nevtia, Company Secretary

Email: ir.chamanlalsetia@clsel.in

Registered office:

Meerankot Road, P.O. Central Jail, Ajnala Road

Amritsar, Punjab, India – 143001

CIN: L51909PB1994PLC015083 www.clsel.in