



Chaman Lal Setia Exports Ltd.

(A Govt. Recognised Star Export House)

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An ISO 22000 : 2005
Certified Co.

Dated:12.08.2025

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 the Analyst/Investor Call Held on 06.08.2025.

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 06.08.2025.

Thanking You,

Yours faithfully,

For Chaman Lal Setia Exports Limited,

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



Chaman Lal Setia Exports Limited

Q1 FY26

POST EARNINGS CONFERENCE CALL

August 06, 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, on behalf of Kaptify Consulting, I welcome you all to the Q1 FY26 Post Earnings Conference call of Chamalal Setia Exports Limited.

Today on the call from the management team 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 brief us about the business and performance highlights for the period ended June 2025, the plans 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. I'm Rajeev Setia. It's a tough time going on these geopolitics' issues for the last quarter. So, it's a tough time. We will explain everything. Ankit? Ankit, you welcome everyone. Hello? There is no voice coming, going. Hello?

Moderator: Hi, Ankit. Would you like to add something to the opening comments? Sir, I think there's some problem in the line. Would you like to continue? Yeah, Ankit is here.

Ankit Setia: Sorry, I just came back online. I would like to say that this is the time when the prices of rice are going from a higher level to a lower level. So, we are decreasing the speed of the business and the moment the time is right, we are going to increase the speed. This is what I would like to add. That's all. Thank you.

Moderator: Should we move to the Q&A, sir?

Ankit Setia: Yes, let's go to the Q&A question.

Moderator: Yeah. So, all those who wish to ask a question, may please use the option of raise hand. In case you're unable to raise hand, just drop a message on the chat and we'll call you to ask a question.

We have the first question from Chirag Singh. Chirag, you can go ahead, please.

- Chirag Singhal:** Yeah, this is Chirag from First Water. You mentioned about the price decline. So, could you quantify what was the decline in Q1 on a sequential basis as well as on a year-on-year basis? And are you seeing any normalcy in the current quarter?
- Rajeev Setia:** Ankit?
- Ankit Setia:** See, the prices have been stable and rather the prices have gone up. And since the new crop was going to come next month and next to next month, so we are seeing the prices will decline in coming months.
- Chirag Singhal:** Right. So, like, what were the key reasons for the decline in revenues in Q1?
- Ankit Setia:** The only reason for decline in prices next month or next to next month?
- Rajeev Setia:** No, no. He's asking for the revenue, revenue fall for this particular quarter. That's true. That's the biggest question. You see, this quarter has all along been disturbed by geopolitics. You see, in the month of April, I think that happened in Pahalgam and then war from the 7th May. The Pakistan war has hardly any effect on us. But this Russia-Iran war which started somewhere from the June, it started from, I think, yeah, June -- June, it started. And prior to that period, also something was cooking up.
- The business for Lebanon, business for Yemen was in jeopardy to some extent. It was back and forth kind of a business going on. That has affected and when the geopolitics situation in the world is bad, it affects every single country's decision making and all that. That takes time. That is one of the major reason for sale fall. Otherwise, it's the business. People wait for the opportunities. New crop is about to come. Some customers defer their orders for the new crop because they feel the prices will come down. Even what Ankit has said that just the prices are likely to come down. This is a good crop. It is very good rain this time. The crop is all time high expected for rice. Total 151 million ton is the estimate. So, let's see.
- Chirag Singhal:** That was actually my second question that whether there was any deferment in Q2, which would lead to overall growth for the H1. Is that a fair understanding?

Rajeev Setia: Ankit, answer.

Ankit Setia: See, like I said before, the prices are expected to come down. So, we are basically in this quarter, we have reduced the speed and next quarter, we expect to pick up speed when the prices are more favorable. Okay, that will be better profitability for the company.

Chirag Singhal: Okay.

Moderator: Thank you. Now, we will take the next question from Raman. Raman you can unmute and ask.

Raman: Hi, sir. Thank you for allowing me to ask you a question. I just have one question with respect to the -- in the previous call, you mentioned that you were doing the CapEx with respect to the processing unit, which will help in increasing your revenue. So, any update on that particular side of the business?

Ankit Setia: So absolutely right. In Karnal, we have installed two new packing units out of three. The third one is still not ready. It's under some teething troubles. Two have already started, but like I mentioned, since we are seeing the prices of rice going down that is why we have still not increased the full speed. Once the prices are favorable, we are going to increase the production, so that, you know, the overall profitability is better.

Raman: Yes. And sir you said that you will pick up -- you have cautiously decreased the speed of the business and you are planning to pick up from Q2. Can we expect this INR400 crores to INR450 crores of quarterly revenue from Q2?

Ankit Setia: Absolutely. Things will be much better than where they are. Actually, you have to understand, with the model of business we are doing, when the prices are at their peak, the business becomes more risky. And let's say we are seeing something, which is going to fall. So, we basically decrease the speed. That's what we do.

Raman: Okay, sir. Sir, can you give any margin guidance? Like, do you expect margins to decline in the coming quarter because of--?

Ankit Setia: No. Even in this current quarter, I don't think the margins have declined. The margins remain stable. Only revenue is going to increase in the future.

- Rajeev Setia:** Revenue has come down, whereas the margin, if I compare with the corresponding period, it's better in this particular quarter.
- Ankit Setia:** So, in this quarter, if you would have, you know, pushed and increased the revenues, maybe the margins would have come down. So, we didn't compromise on the margin. Revenue, yes, but next quarter it will be, I mean, it will go up.
- Rajeev Setia:** And that Gandhidham unit was opened on 4th of July. So, it's working full. Full capacity is working. So, the business from that area should also go up. And the other, the old unit, which we were running in Gandhidham, that is being moved. So, we will have two units in the time to come.
- Raman:** Okay, thank you, sir.
- Moderator:** Thank you. We'll take the next question from Ravi Sharma.
- Ravi Sharma:** Good afternoon, sir. Good afternoon, Rajeevji, Ankitji. I have two questions. First is basically, in the light of this US tariff, imposed on India and probably, you know, how things are going to settle, we don't know. But that current situation, given the advantage to Pakistan of 19%, vis-à-vis 25%. You know, do you see any impact of business to America and how much of our revenue comes from US?
- Rajeev Setia:** Ankit, you will add to what I say. Whatever are the shipments in transit, we have -- because we were expecting these things. We shipped a lot of cargo. And whatever will reach before 5th of October, because all ETAs are in September, the cargo is reaching in September. And it has to reach before 5th of October as per the commitment of USA. You never know what happens tomorrow. But the present situation, which is that is all the cargo which will enter prior to 5th of October that will have no effect of this 25% duty. So, whatever most of the customers, they quickly wanted the rice and now truly speaking, we are putting at hold. Even our customers have told us. Let us see, after all, it's food product. They have to eat. Food ultimately cannot be avoided.
- Ravi Sharma:** What's the -- given the differential between Pakistan and India, do you think there will be shift from India to US, 25% versus 19%?
- Rajeev Setia:** Look, nowadays Pakistan is a favorable baby of USA. So obviously they may get from them, but the future is much better for us. Even you see NDTV Profit took my interview, I said it also, one Qamar

Cheema, their ex-army, he most often comes in the debates. And he was backing what will happen with our rice export. India is not giving us water; they are stopping our water. And one thing I personally feel for this geopolitical, I may be wrong, but unless we don't get POK, India is not going to share water at all. And if India doesn't share water, this joint monopoly with Pakistan will be monopoly of India. And it's written on the wall.

Ravi Sharma: And sir, any idea, an estimate on crop situation in Pakistan? Basmati crop? Any, you know, forecast or any idea?

Ankit Setia: Okay, I would like to say about USA. As of now, the business has not affected. There is zero impact on business, which is happening in USA for my company. This is number one point. The second point is Basmati is not grown in USA. It is an Indian product. So, the products which can be made in US or a country which has lower tariffs, there the competition will come. But since Basmati is not grown in US, India is still strong to supply.

Rajeev Setia: It is about the competition from Pakistan.

Ankit Setia: All right. But you know, 75% of the market is Indian. So, it's not easy to change the market overnight. A brand which is Indian, it will remain as Indian. And a brand which is from Pakistan will remain as Pakistan. So, till now, no impact.

Third thing I would say is, see the customers we have in USA are all ethnic customers. We don't have any mainstream buyers. So had it been mainstream buyers, we have to maintain the price. But with ethnic customers, if there's any change, we have the right to revise in the next contract. And the contract is small, maybe two containers, maybe three containers. So, we are safe in that respect. All three respects I would say.

Rajeev Setia: And if we go by the history at one point of time, US ocean freight had gone up to \$10,000 from \$2,000 - \$1,500 onward. And it was absorbed. That way we feel, if I go with the history in 1991, the prices of Basmati rice was \$1,400 Europe. And of course, could be close to \$1,500 in USA. And now the present price of Basmati, good quality CIF is around \$1,200 to USA. And the 20% cap will make that kind of price. So, it is historically they have bought it.

Ankit Setia: What is going to happen is, let the tariffs stay because earlier also it was 10%. It's an increase of 15%. Let the tariffs stay. The Indian rice

prices are going to balance out. Rice is going to go the way it was going. There is not going to be any change. And if you calculate, okay, 25% seems big. But if you calculate the price per bag, it is not big for the customer because the customer has seen extreme high prices in the past.

Ravi Sharma:

Okay. And my last question is, in the last year, '24-'25, the prices because of the minimum export price was levied by the government on Basmati. There was a situation, there was an aberration wherein prices during the crop season, they are higher than off season, the prices that kept on declining. So, what is the estimated scenario this year? Once you have a crop, you will have a lower prices and then subsequently they will increase in what will be our strategy. You will hold on the -- build on the inventory or you will buy and sell, say for the H2, second half basically.

Ankit Setia:

See, as per the current prices, market is going to fall with the new crop. This is going to happen. But in between, some demand comes from Iran, which disturbs the market. But overall, within one week or within 10 days, the market settles down. So, we are expecting the prices to fall. The moment the prices fall, again, we will pick up with our customers. Our customers are hungry. Only thing is everybody is waiting for the prices to come down.

Rajeev Setia:

There are stocks also, carry forward is quite big and the crop size is big. So, it makes sense the price will fall down. It looks like that.

Ravi Sharma:

What is the current prevailing price? Like dollar ton, dollar per metric ton.

Rajeev Setia:

Depending upon the -- if it is parboiled, it is around \$900 to \$1,000 CIF to Middle East. Of course, packing matters is small. Packing is higher. This kind of prices. Am I right, Ankit? You are sales guy.

Ankit Setia:

Absolutely right.

Ravi Sharma:

Okay. So, what I understand is, you know, in Q2 also, the new crop will only come by September end. So, in Q2 also, we will keep the business slow. Is my understanding, right?

Rajeev Setia:

Why should we keep slow?

Ravi Sharma:

Well, like you said that the price keeps on falling, then we don't want to build on the inventory.

Ankit Setia: No, that is a separate thing. Depending on the demand, of course, we are doing our best with the sales.

Ravi Sharma: Okay.

Rajeev Setia: And secondly, some of the people, they want old rice also. This concept is there. And some people want new rice. They want to build up stock over there, in the anticipation of prices going up. The business is commodity up and down. So, it goes with the wisdom and experience only.

Ravi Sharma: Okay. Okay, sir. So, all the best and best wishes. Thank you. Thank you very much.

Moderator: Thank you. We take the next request from the chat box. Akash Bhalla, you can unmute and ask your question. Akash? We take the next request from Raman.

Raman: Thank you for a follow up question, sir. Sir, I just wanted to clarify. You said the Basmati rice prices are \$900 to \$1,000 per ton or kg.

Rajeev Setia: Per parboiled rice, I said. Which goes to Middle East mainly.

Raman: This is per ton or per kg?

Rajeev Setia: Per ton, per ton.

Raman: This is with respect to purple rice.

Rajeev Setia: No. Purple rice means?

Raman: No. Which rice?

Rajeev Setia: Parboiled rice. We also call it sella in our language. But the legal name internationally is parboiled.

Raman: Okay. And what about Basmati rice?

Rajeev Setia: Basmati rice will be \$100 to \$150 higher than that.

Raman: Okay. And sir, my next question is with respect to the processing unit only. Sir, I just wanted to understand the unit economics of it. How much does it cost? What's the CapEx for making like putting up a one

processing unit, one additional processing unit and how much revenue can it do from -- can we do from one processing unit?

Rajeev Setia: Ankit reply.

Ankit Setia: Investment is not big. It comes to about INR 2.5 crores, INR 3 crore. I'm talking strictly machinery, erection and everything. I'm not talking about land and building because that is already there. So, the plant and machinery and erection part is only INR 3 crore, maybe less than that, maybe INR 2.5 crores. Okay. You can generate a revenue of INR 50 crores to INR 75 crores or INR 100 crore in a year. That is the revenue which can be generated easily. It can even go? You can take it as INR 100 crore rupees. So, you can maybe take a revenue of INR 100 crore.

Raman: Okay. So basically, this was a --

Rajeev Setia: It will be INR 100 crore because as to how I can vouch for it, the unit which was running in Gandhidham in a rented house, godown, that was with lower capacity plant. And we had been doing around INR 60 crore to INR 70 crore business annually from there also. So that way INR 100 crore from one unit is achievable.

Ankit Setia: I'm still sharing like conservative figures. It can go higher with time. So, to start with, let's say annual INR 100 crores, maybe next year it can even go up to INR 200 crores, INR 175 crores, INR 150 like that.

Rajeev Setia: That's not possible. It will be INR 125 crores, INR 130 crores beyond. How can we go beyond this capacity?

Ankit Setia: So, let's keep it INR 100 crore annually.

Rajeev Setia: If the packing is larger, 50 kg, what you say is right. But if the packing is 10 kg, 5 kg, all kinds of --

Ankit Setia: Then of course it will be down, yes.

Rajeev Setia: You are also right in one way and --

Ankit Setia: Absolutely right.

Raman: Okay. And sir, can you give the volume figures for the quarter export volume figures?

Rajeev Setia: Volume figures for this quarter?

Raman: Yes, sir.

Rajeev Setia: I have not checked.

Vinay Pandit: Total volume were at 41,255 tons.

Rajeev Setia: Okay, you got the figures.

Vinay Pandit: 41,255 tons in this quarter.

Rajeev Setia: Very good.

Raman: 41,250 tons.

Vinay Pandit: 255.

Rajeev Setia: It is domestic as well export both?

Vinay Pandit: That's right.

Raman: Okay. And how much will be export out of this?

Vinay Pandit: Export is 33,797.

Raman: 33,797. Thank you, sir.

Rajeev Setia: I have been travelling more in this quarter.

Moderator: Thank you. Thank you. We will take the next request from Akash Bhalla. Akal, you can unmute and ask.

Akash Bhalla: Hi. I had two questions. First one is regarding the annual revenue target which you guys had shared earlier. So, you said the company might touch INR 2,000 crores. So, by which financial year we plan to achieve it?

Rajeev Setia: Ankit you say that.

Ankit Setia: We are trying our best to achieve INR 2,000 crores. That's the target. That's the goal, right? Like I said, that we are waiting for the right timing. So maybe next month or next to next month, the timing will get right and revenue will go higher.

- Akash Bhalla:** My second question was regarding, so I was reading online that there was some Japanese delegation visiting you guys and there is scarcity of rice in Japan. So -- and Indian companies are trying to make out of it. So, what is like our company's plan?
- Ankit Setia:** So, the delegation of course visited us and it was a very good meeting. But till now they have not started buying. This is the current status. Still in talks.
- Akash Bhalla:** But are we optimistic about something happening in the future?
- Rajeev Setia:** Yes.
- Ankit Setia:** If a customer is approaching, we are optimistic, yes.
- Rajeev Setia:** I would like to share one thing. India has been importing crude from Russia and it's against Indian rupees and they have huge block of Indian rupees lying with their banks in Russia. So, we are already exporting Maharani brand to one company and the moment we send the order, they send us the payment. I think they don't wait for the shipment. And recently this Sberbank of Russia, he had been -- their team has approached us. Not only for opening the account, they say we will promote your product in Russia.
- The company is also going to participate in Russia in the coming exhibition. The kind of relations India has with that country. We are truly speaking; we are expecting good business in the time to come. Because the help of this bank, we have already opened the account with this bank or it's likely to be opened in a day or two. All figures, formalities have been done. And their team, they say we have come, we promote the business or maybe because of the Indian rupees block, they feel like we should buy maximum from India.
- Akash Bhalla:** Thanks. That's all I have.
- Moderator:** We'll take the next question from Manish Kela. Manish you can unmute and ask.
- Manish Kela:** Yeah, hi, sir. I have a couple of questions. So, one is how are we placed as far as inventory levels are concerned? Are we stocking more or we plan to maintain inventory at similar levels? So basically, question for Q2. And second is how did the logistics cost behave in Q1 when you compare it with the previous quarters?

- Rajeev Setia:** I'll answer. In the Q1, the ocean freights were normal. They had come down. Nothing, maybe one or two destinations, otherwise it was not, as far as the ocean freight is concerned. And your next question, what is your next question? Next part?
- Manish Kela:** That was on the inventory side.
- Rajeev Setia:** Inventory side, yes. We do have inventory, but not to the levels which it was during 31 March. It is relatively quite down. And it's also sold or likely to sell kind of inventory. No problem. The company is totally debt free, rather deposit with the cash flow.
- Ankit Setia:** So, inventories are coming down day by day. We are waiting for the new crop, which is going to open at a lower price. Then we are going to bulk up.
- Manish Kela:** All right. Thank you so much.
- Moderator:** Thank you. We'll take the next question from Pavan Kumar.
- Pavan Kumar:** Sir, I wanted to understand what is the kind of year-on-year or -- and quarter-on-quarter growth in terms of volumes. I want the growth numbers. And also, I wanted to check on whether there were any inventory losses or gains this particular quarter.
- Rajeev Setia:** There was absolutely no inventory loss in this quarter because it had happened last year when in the beginning the prices were high. And then they came down here to sell at breakeven also. But we never did any loss. We didn't earn much. Then in this particular period, all whatever is purchased, that is purchased with the regular market prices. And we are selling with our reasonable profit. That's the reason despite lower this revenue, the profitability is reasonably good.
- Pavan Kumar:** And volume growth quarter-on-quarter and year-on-year, for this particular quarter.
- Rajeev Setia:** This particular quarter, Mr. Vinay, when I just told the figures because he took the figures for volume.
- Vinay Pandit:** Sorry, again. Which data point are you looking for?
- Pavan Kumar:** I'm looking for year-on-year growth in terms of volumes for this quarter.

Vinay Pandit: Year-on-year and volume growth is flat.

Pavan Kumar: Sorry Q1 volume growth is flat.

Vinay Pandit: Yeah. Last year we've done 41,169 in Q1.

Pavan Kumar: 41,169. Okay.

Vinay Pandit: This time it is 41,255.

Pavan Kumar: And Vinay would you have the number for last quarter also, please?

Vinay Pandit: Yeah. Q4 was 44,974.

Pavan Kumar: 974, okay. If we had to set up any kind of targets in terms of volumes, would there be a target that we would be looking forward to?

Rajeev Setia: Obviously we work hard. We look for new customers. We participate in different exhibitions, travel. And when you get the business, obviously your revenue will go up as well as volume both sides connected. And any new teams are working very hard. It's not so easy to discuss. We are working very hard.

Pavan Kumar: And any new geographies that you have cracked in this last two quarters that you have entered?

Rajeev Setia: No, no. What is your question?

Pavan Kumar: Any new geographies?

Rajeev Setia: New geographies. Ankit, answer.

Ankit Setia: This quarter I don't think any new geographies.

Pavan Kumar: Okay.

Ankit Setia: Stable only. We appointed a very nice distributor in Australia. As I said, we visited him.

Rajeev Setia: I visited him and he is great. Very powerful.

Moderator: Thanks. We will take the next question from Devendra. Hello? Yeah, Devendra, go ahead.

Devendra Vikharankar: Yeah, actually my question is about -- so, revenue will be expected in Q2. Hello?

Ankit Setia: You are audible? Go ahead, please.

Devendra Vikharankar: How much revenue expected in Q2?

Rajeev Setia: Our target is INR 400 crores.

Devendra Vikharankar: Okay. And second thing, as your slide mentioned, that export Basmati rice, I think INR 50,000 crore. Correct? For that '25 year. And apart from this INR 50,000 crore, how much we will sell?

Rajeev Setia: No, no, no. He's saying the total.

Devendra Vikharankar: Your size?

Ankit Setia: He is saying the total export of India is 50,000 crores. How much do you do? That's what he is asking.

Rajeev Setia: No, it's 6 million crore.

Devendra Vikharankar: Okay, okay. And how much is your margin?

Ankit Setia: 6 million ton is the export. He has calculated that into crores.

Devendra Vikharankar: Yeah, correct. And second, last question is, you've mentioned that 10% margin. Okay, compared to previous quarter, 9% net. How much for this Q2? As you say, for INR 400 crore we will be achieving revenue. And how much that margin? 10%, 11% and 9%.

Ankit Setia: You know, for these, the questions you are asking 10%, 11%. I request you to check the previous data of the company. It's all available. You can see what kind of margins. Generally, the company posts a margin between 9% to 14%. It keeps going up and down. So, better you see the pass record. It will even give you better, you know, than what we can explain.

Devendra Vikharankar: Okay, okay.

Ankit Setia: Right.

Devendra Vikharankar: Yeah, okay. Thanks.

Ankit Setia: Thank you.

Moderator: Thank you. We'll take the next question from Vivek Singh.

Vivek Singh: Hello.

Ankit Setia: Yes, Vivekji.

Vivek Singh: Sir, my question is, what are the key challenges business is facing right now? And the second one is more generic. What are the key learnings of this quarter?

Ankit Setia: So, the biggest challenge right now is, you know, Donald Trump, the President of US comes every weekend. He comes up with a new tariff. This is the biggest challenge right now, what the industry is facing. Other than that, I don't think there's any much challenge. And the biggest problem with the business is to have, you know, like that already we've taken care of, the model supports too many customers. So, as such, there is no challenge for the business.

Vivek Singh: And sir, what are the key learnings of this quarter?

Ankit Setia: So, the key learnings, see what is happening in the quarter is the prices are going from up to down. So, when something like this is happening, normally we reduce the speed of business. It is not a learning. We already know about it.

Vivek Singh: Okay. Sir, in previous concall, you have said that the company makes money when prices go up also. When the prices of rice...?

Ankit Setia: No, I said when the prices go down, company makes more money. When the prices go up, the company still makes money.

Vivek Singh: Sir, yes. I want to get some clarification on that. I don't understand what you want to say. What is that thinking...?

Ankit Setia: What I want to say...

Rajeev Setia: I will explain it in a very linear language.

Vivek Singh: Okay, sir.

Rajeev Setia: When the procurement of businesses, you buy cheaper and sell expensive. This is how you make the best -- better profit. And if you

are buying at high price and it becomes difficult to sell at the high price, you may earn, but your earning could be breakeven or little earning. This is what Ankit saying, when the stocks, low stock price is coming, we try to procure and then try to sell at the higher price. That is his meaning. Low price.

Vivek Singh: Okay, sir. Okay. Thank you, sir.

Rajeev Setia: Okay. Thank you.

Moderator: We'll take the next special from Harsh Beria.

Harsh Beria: Hello, sir. Sir, given our volumes was flat this year. That means the entire 15% decline on sales comes from lower rice prices. So, rice prices have come down 15%. That's my question.

Rajeev Setia: Yeah. The prices of rice are considerably down as compared to last year. You know, last year this time prices were very, very high. And that's the reason in the beginning of the new season, the prices were up, then they tumbled down. So, we buy low price and we have to accordingly sell with keeping with, with our margins.

Harsh Beria: Got it. So, and the other question is like, I think we have a conservative inventory accounting. So, did we already mark down our inventory prices according to the current realizable prices?

Rajeev Setia: Whatever inventory we have is at very good prices and it is already held with the sales. We sell and simultaneously buy it also. So, we have no problem. We learn. We have no debts of the bank. We have no worry, any kind.

Harsh Beria: And like I've been following the company for a long time now. I just want to say one thing. I feel what you guys do in terms of changing the selling strategy over time according to rice prices. This is a very good way to also preserve the balance sheet. It is a very good way to slow down sales volume. So, I also want to appreciate this. And overall, I kind of feel that this call has been a little bit gloomy. Meaning sir, this is a business cycle, sir. I feel we should continue to think about our volume growth, maybe from more markets, but just casual feedback there.

Rajeev Setia: We are in 94, 95 countries. The teams move around in every country, try to sell...

Ankit Setia: What you're saying is right, but with the model we have, you will see some quarters will become very big. Some quarters will become slow without compromising on the margins. In the future, you're going to see some quarters vary. I mean, maybe we cross INR 500 crore. Maybe we touch INR 600 crores. It is going to be like a hybrid model where if everything is favorable, you will see a big quarter. If things are not favorable, maybe slow down for three months.

Harsh Beria: I think that's fine, sir.

Ankit Setia: Maybe six months. Why work on low margin? Why take so much risk when you know something is going to fall?

Harsh Beria: Yeah, I understand. And preserving the balance sheet there is much more important than...

Ankit Setia: Absolutely. Like I tell you, now, we have talked about USA. Suddenly, you know, there is a tariff of 25%. For US business, you need to stock rice for one year. You talk about our company; we don't have any stock. So, we are free. We don't have any problem with the tariffs. Like in this quarter, there was a war between Israel and Iran. So, the people, the companies who were exporting rice to Iran, they were in big trouble because they didn't know, you know, the war is going to last for how many days and when their money is going to come. Still, the money has not come. Again, with our company, we were trouble free because we don't deal much with Iran. So, you know, there are a lot of strengths.

So, it depends from quarter to quarter. Maybe in the future, if there is some -- if the things are good, maybe we start exporting to Iran also. So, like that.

Harsh Beria: I understand. And my last question is on our branded domestic sales. I think we were also trying to sell through our other like QSR, like other sales channels. How is that going? Have you appointed a team for domestic market? And how can you give...

Ankit Setia: You know, Harsh, honestly speaking, you know, we are trying to build a brand in domestic. The only challenge I face is profitability is much more when we export. When we are selling in India, the profitability goes down. We've tried the online channels like Blinkit, Zepto, you know, we've tried. But they take the majority of the profitability. This is the biggest challenge with India. And now, like -- now is a time where everybody knows the market is going to fall. So not the Indian

market is absolutely dead. There is not even much demand also. So, they're very smart in India. And it's difficult to make money.

Harsh Beria: Okay. Yeah, that's all from my side.

Ankit Setia: For example, if I'm dealing in USA or in Europe, maybe selling 100 tons would fetch me the same amount of money. In India, maybe I have to sell 10 times that same amount of rice.

Harsh Beria: Got it. That's all from my side.

Ankit Setia: So, we are trying to, you know, increase our export business with the model we operate on.

Harsh Beria: Thanks.

Moderator: Thank you. If anyone else wishes to ask the question, please raise your hand. We'll take the next question from Navneet Bhaiya.

Navneet Bhaiya: Hi, Ankit. Hi, Rajeevji. So, my question is, on your new plants, are they now fully ready to -- or are they fully operational now? You had three new plants coming up, right?

Rajeev Setia: One plant in Gandhidham was opened on 4th of July. It's regularly working non-stop. And I think two are ready in Karnal.

Ankit Setia: Two out of three are ready in Karnal.

Navneet Bhaiya: They are working production?

Ankit Setia: Two are absolutely working.

Navneet Bhaiya: So, what's the utilization like in these plants?

Ankit Setia: Currently, because we are seeing a decline in the prices, with the new plants, maybe we are running an efficiency of 50%. We have not operated them at 100%. Going forward, things are favorable. We are going to operate them at full swing.

Rajeev Setia: Gandhidham unit is working at full swing.

Ankit Setia: So Gandhidham is working full, Karnal, maybe 50%. The new ones, the old ones are all working at their capacity.

Navneet Bhaiya: Okay. So, as you can see things right now, you see a flattish volume this year as compared to last year, or do you see some growth possible?

Ankit Setia: It is difficult to say right now. It all depends. You know, I can answer this in the month of October, November, this question. Right now, I cannot say anything.

Navneet Bhaiya: Okay. So overall now, what's your capacity in volume terms? What's the maximum volume that you can do with all your plants combined?

Ankit Setia: Maybe Vinayji can tell how much volume we've done in the full year. For last year?

Vinay Pandit: For last year?

Ankit Setia: Yes.

Vinay Pandit: For last year total volume was 173,319.

Ankit Setia: Right. So, like my Chachaji was explaining, the volume will depend on the size of packaging we are doing. If it is a big bag like 50 kilograms, then maybe the capacity doubles. But if the packaging size is 1 kilogram, the capacity comes down. So entirely depends what kind of orders we get.

Navneet Bhaiya: Okay. So, these three new plants came in this year only, right? These were not operational last year.

Ankit Setia: They came operational only in this quarter.

Navneet Bhaiya: Okay. All three, right?

Ankit Setia: Not three -- yes. One Gandhidham and two in Karnal. Yes.

Rajeev Setia: One Mundra not Gandhidham, Mundra.

Ankit Setia: Sorry. One in Mundra and two out of three in Karnal.

Navneet Bhaiya: And what is the capacity of these three packaging units of plants that you have?

Ankit Setia: So, these plants can do a revenue of INR 100 crore annually, each one of them.

Navneet Bhaiya: Sorry. In volume terms, Ankit, because price can be volatile, right?

Ankit Setia: You are right.

Rajeev Setia: So, volume, I have checked with my Gandhidham unit. It is doing right now seven to eight ton per hour. So, if we run 20 hours, instead of 24, 20 hours, we've worked, it's 150 ton. But it is likely to increase now. It's the beginning.

Ankit Setia: But see, again, the plant depends what packaging you're doing. Maybe you can run 150 tons, but then if it's one kilogram packing, the speed will become less.

Rajeev Setia: Yes, that is there.

Ankit Setia: Okay. Having said, I mean, your question in terms of volume, a plant should do at least, at least do a packaging of 35 to 50 tons per day.

Navneet Bhaiya: Okay. So, all the three plants should give you 100 tons. So about 35,000 tons annually, approximately.

Ankit Setia: Yes, you can say that. Yes, plus minus.

Rajeev Setia: It is 50 kg packing and a big quarter, then...

Ankit Setia: Then of course, then it will --

Navneet Bhaiya: Yeah, I understand that. But on an average, roughly there.

Ankit Setia: On the lower side, you can take maybe 50 tons. So, 10,000 tons. Yes, you're right, per plant, it is a good figure.

Navneet Bhaiya: Okay. I understood. Okay. Thank you so much, Ankit.

Ankit Setia: You're welcome.

Moderator: We'll take the next question from Yogansh Jeswani.

Yogansh Jeswani: Hi, thanks for the opportunity. So, Ankitji, Rajeevji, most of the questions you have answered already. Just one clarification. To one of the participants, you mentioned that one of the packaging units is facing some teething issues. And I think last concall also, we had mentioned something similar. So, any specific issue that we are facing

or any timelines that you can share on by when we expect to streamline the same.

Ankit Setia: No, by teething troubles, what I meant was whenever a new plant is starting, because the plant has series of 15 or 20 machines, right? So at least it takes 15 to 20 days or one month to stabilize the plant. So, the third plant is all set. Only these teething troubles we are taking out. Somewhere, you know, some degree is wrong.

Rajeev Setia: But the two are already working. That is no longer with any kind of problem.

Ankit Setia: So maybe by this month and, you know, the third one also will be perfectly fine. See, the thing is with the new plant, you know, since it is very new, still some troubles can come. But that is taken care of within a day or like that.

Yogansh Jeswani: No worries. So, where I got confused, I think last concall, then you must have mentioned of the other plant which you were just starting on that they are teething troubles.

Ankit Setia: At that time, maybe they were teething troubles. At that time, maybe they were, you know, having problems.

Yogansh Jeswani: Yeah, understood. Fair enough, sir. Yeah, that's it from my side. Good luck to you and the team.

Ankit Setia: Maybe next time, next concall, you know, I will visit those plants. I will show everybody how do they look like. They're very interesting to look at. They're big plants.

Yogansh Jeswani: Yes, absolutely. And a video for all of us would be quite helpful, sir.

Ankit Setia: Yes, I will do a live video next time from the plant itself.

Rajeev Setia: Even on the website, you can see other products, sir.

Ankit Setia: I'm not sure if the new ones are there.

Rajeev Setia: New one may or may not be available.

Ankit Setia: These are absolutely stainless-steel plants and big in size. Very interesting to see. So next time, I will arrange for sure.

Moderator: Thank you, sir. We'll take a follow up question from Harsh Beria. Harsh.

Harsh Beria: Yeah, so thanks for this planting. I think last year or the year before you also on your YouTube channel, you had put a complete video of the manufacturing setup. So, if you do this video, maybe you can also put it on your YouTube channel. It's good to see like the scale of operations that the company operates at. It was like even the last one was very impressive. So, I would be interested if you can also put it on YouTube so that people can also see it afterwards.

Ankit Setia: Absolutely. You are right, because in Karnal, we have the biggest storage facility in terms of storing rice or in terms of storing bags. So next concall, I'm going to show everything live and we're going to put it soon on YouTube also.

Harsh Beria: Thank you for that.

Rajeev Setia: YouTube and Instagram can put it. Whatever is available, we should put it.

Moderator: If anyone else wishes to ask the questions please raise your hand or put in the chat box. Since there are no further questions, sir, I would request if you have any closing comments.

Moderator: Sir, would you like to give any closing comments?

Rajeev Setia: Ankit, start with your closings.

Ankit Setia: Yes. So, my closing comments would be, like I said, the company is like a hybrid motor. So, some quarters are going to be very big. Everybody will be surprised. And some quarters will be slow. So last quarter, I would say we deliberately slowed it down. We decreased the speed. Margins are not compromised. Margins are fine. And things are going to get better. And I promise that revenues are going to get bigger and bigger. Thank you.

Vinay Pandit: Thank you for the management for your time. And thank you for all the participants for joining this call. You may all disconnect now.

Ankit Setia: Thank you, sir.