November 23, 2026

To
BSE Limited,
1st Floor, New Trading Ring,
Rotunda Building, P.J. Towers,
Dalal Street, Mumbai – 400001
Maharashtra, India

BSE Code: **512573**

To
National Stock Exchange of India Ltd.,
Exchange Plaza,
Bandra (East),
Mumbai – 400051
Maharashtra, India

NSE Symbol: **AVANTIFEED**

Dear Sir/Madam,

Sub: Transcript of post earnings Audio Conference Call for the quarter ended September 30, 2026.

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Further to our letter dated November 16, 2026, November 19, 2026 and November 20, 2026, we enclose herewith the transcript of post earnings Audio Conference Call for Investors/Analysts held on November 20, 2026 in connection with Unaudited Financial Results (Standalone and Consolidated) of the Company for the quarter and half year ended September 30, 2026 and the same will also be available on the website of the Company at **https://avantifeeds.com/corporate-announcement/#Investor-Analyst-Corner**

This is for your information and record.

Thanking you,

Yours faithfully,
For **Avanti Feeds Limited**

RAMACHANDRA RAO CUDDAPAH
Digitally signed by RAMACHANDRA RAO CUDDAPAH
Date: 2026.11.23 17:40:35 +05'30'

C. Ramachandra Rao
Joint Managing Director,
Company Secretary and
Compliance Officer
DIN: 00026010

Avanti Feeds Limited

Q2 FY26-27 Investors Conference

Event Date/Time : 20/11/2026, 16.00 Hrs IST

Event Duration : 53 mins 30 secs

CORPORATE PARTICIPANTS:

C Ramachandra Rao

Joint Managing Director and Company Secretary, Avanti Feeds Limited

A. Venkata Sanjeev

Executive Director, Avanti Feeds Limited

D.V.S. Sathyanarayana

CFO, Avanti Frozen Foods Private Limited

K Srinivas Reddy

CFO, Avanti PetCare Private Limited

Alluri Nikhilesh

Executive Director, Avanti Frozen Foods Private Limited

B. Santhi Latha

Chief Financial Officer, Avanti Feeds Limited

Q&A PARTICIPANTS:

1	**Ronak Shah**	: Equirus Securities
2	**Viivek Singh**	: Individual Investor
3	**Nitin Awasthi**	: InCred Capital

Moderator

The call has now started. We are handing over the proceeding to the management of the company.

B. Santhi Latha

Good evening, ladies and gentlemen. I am pleased to extend a warm welcome to all of you for this investor conference call to review the unaudited financial results for the quarter and period ended 30/09/2026. Sri A. Nikhilesh, ED, Avanti Frozen Foods Private Limited, has joined from the processing plant. Along with me are Mr. C Ramachandra Rao, Joint Managing Director and Company Secretary of Avanti Feeds Limited, Mr. A Venkata Sanjeev, ED, Avanti Feeds Limited Mr. D.V.S. Sathyanarayana, CFO of Avanti Frozen Foods Private Limited, and Mr. K Srinivas Reddy, CFO of Avanti PetCare Private Limited.

To begin with, I'll present the highlights of the standalone and consolidated financial results of the company for the quarter and half year ended 30/09/2026. Thereafter, Mr. D.V.S. Sathyanarayana will present the financial highlights of Shrimp Processing and Export division and Mr. K Srinivas Reddy will present the status of PetCare project. After the presentation by all of them, Mr. C Ramachandra Rao, Joint Managing Director and Company Secretary of Avanti Feeds Limited, will give current situation and highlights of the industry. Then we will move on to question and answer session.

Consolidated financial results for the quarter ended September 2027. The comparative performance of Q2 FY27 with that of Q1 FY27 and Q2 FY26 have been given in the presentation already circulated. Gross income in Q2 FY27 is INR 1,803 crores as compared to INR 1,966 crores in the previous quarter, Q1 FY26, a decrease of INR 163 crores by about 8.29%. Compared to Q2 FY26 gross income of INR 1,659 crores, there is an increase of INR 144 crores by about 8.69%. The PBT is INR 96 crores in Q2 FY27 as compared to INR 157 crores in Q1 FY27, a decrease of INR 61 crores by about 38.85% and compared to Q2 FY26 PBT of INR 227 crores, there is a decrease of INR 131 crores by about 57.71%. So, half yearly financial results, the comparative performance for half year ended FY27 with that of FY26 have been given in the presentation.

Gross income in FY27 half year FY27 is INR 3769 crores as compared to INR 3316 crores in half year of FY26, an increase of about INR 453 crores by about 13.7%. The PBT is INR 253 crores in half year ended FY27 as compared to INR 476 crores in half year ended FY26, a decrease of INR 223 crores by about 46.85%. The consolidated results indicate net impact of several factors such as increase in income and decrease in expenditure or increase in expenditure and exceptional item relating to both Feed and Frozen divisions, which have been discussed in the divisional performance of these units individually.

Standalone financial results of Feed division for the quarter ended FY27. The gross income for Q2 FY27 is INR 1,420 crores as compared to INR 1,615 crores in the previous quarter of Q1 FY27, a decrease of INR 195 crores due to decrease in quantity of feed sold since Q1 is the main aquaculture season. The gross income in Q2 FY27 increased to INR 1,420 crores from INR 1,200 crores in the corresponding quarter of Q2 FY26. An increased by INR 220 crores due to increase in feed price. The PBT for Q2 FY27 is INR 86 crores as compared to INR 114 crores in Q1 FY27, a decrease of INR 28 crores by about 24.56%. And when compared with Q2 FY26, PBT of INR 180 crores, there is a decrease of INR 94 crores by about 52.22%, mainly due to increase in raw material cost. The feed sales during the quarter decreased to 1,52,888 MT as compared to 1,93,852 in Q1 FY27 and from 1,54,644 MT in Q2 FY26.

Standalone half yearly highlights. The comparative performance for half year ended FY27 with that of FY26 have been given in the presentation. Gross income in half year ended FY27 is INR 3,034 crores as compared to INR 2,479 crores in half year ended FY26, an increase of INR 555 crores by about 22.39%.

The PBT is INR 199 crores in half year ended FY27 as compared to INR 404 crores in previous year, a decrease of INR 205 crores by about 50.74%. The feed sales during the half year ended FY27 increased to 3,46,739 MT as compared to 3,20,208 MT in half year ended FY26. The major raw materials are fish meal, soya bean meal, and wheat flour. The noticeable development in this quarter is increasing trend of major raw materials that be fish meal, soya bean meal, and wheat flour, resulting in decrease in the profitability when compared with previous year and quarter.

The price of these raw materials keep fluctuating since their production is based on aquaculture and fish catches from the ocean. The prices of fish meal increased in Q2 FY27 to INR 199 per kg from INR 153 per kg in Q1 FY27 and increased from INR 98 per kg in Q2 FY26. In case of soya bean meal, their prices increased to INR 67 per kg in Q2 FY26 from 58 in Q1 FY27 and increased from INR 43 in Q2 FY26. The wheat flour price increased to INR 32 per kg in Q2 FY27 from INR 28 per kg in Q1 FY27 and decreased from INR 33 per kg in Q2 FY26. The present purchase price of fish meal is INR 210 per kg, soya bean meal is INR 80 per kg and wheat flour is INR 36 per kg.

While on one hand, the raw material prices are instrumental in determining the margins, on the other hand, the status of aquaculture activity, conditions such as climatic changes, diseases, etc., determine the consumption of feed in terms of volume, which will have an impact on the overall performance of the company. The PBT stood at 6.03% on total income during Q2 FY27 as compared to about 7.03% during Q1 FY27 and 15.05% during Q2 FY26. The combination of higher input costs, supply side constraints and fears of further price escalation is putting considerable pressure on shrimp feed manufacturers and the overall aquaculture industry. To sum up, in general, FY2627 is expected to be a challenging year for the aquaculture industry in respect of shrimp production due to steep increase in feed raw material prices as well as exports from India and global demand for shrimp exports.

Shrimp production and feed consumption in FY27 and company plans for FY28. Shrimp feed consumption. On the basis of estimate shrimp production of 8-9 lakh MT in calendar year 2026, the feed consumption is estimated to be about 11-12 lakh MT. The company feed sales during the half year ended 2027 is 3,46,739 MT, against 3,20,208 MT in half year ended 2026. It is estimated that the feed sales during FY27 would be around 5,80,000 MT.

The shrimp processing and export division. The export of frozen shrimps during 2025 was to their tune of 7,92,647 MT worth USD 5,624,480,000. USA was the largest importer with 33% of frozen shrimp, followed by China 21%, European Union 17%, Southeast Asia 11%, Japan 5%, Middle East 3%, and all other countries put together 10%. On a YoY basis, export volumes to The United States declined by 17.9%, whereas exports increased by 24% to China, 36% to EU, and 5% to Japan in MT terms. Frozen shrimp continued to be the major item of export in terms of quantity and value, accounting for a share of 40.19% in quantity and 66.52% of the total U. S. Dollar earnings.

During FY26, frozen shrimp exports registered a growth of 13.16% in rupee value, 8.64% in dollar value and 6.9% by volumes. The company's shrimp exports during FY26 were 16,976 MT as compared to 14,149 MT in FY25, an increase by 2,827 MT. It is estimated that the exports during FY27 would be

around 17,500 MT. Now I hand over to Mr. D.V.S Sathyanarayana to present highlights of Shrimp Processing and Export Division.

D.V.S. Sathyanarayana

Thank you, madam. Good evening, everyone. Now, I would like to take you through the financial highlights of Shrimp Processing and Export Division. Q2 FY27 results. The gross income for Q2 FY27 is INR 387 crores as compared to INR 350 crores in Q1 FY27, an increase by INR 37 crores, representing 11%, mainly due to increase in sales volume by 10%. Further, that improvement in average selling price realisation during Q2 FY27, along with favourable foreign exchange movements contributed to the increase in gross income during the current quarter under review.

The gross income in Q2 FY27 decreased to INR 387 crores from INR 462 crores during Q2 FY26 corresponding quarter of the previous year, a decrease of INR 75 crores, representing 16%, mainly due to decrease in sales volume by 20%. This was mainly attributable to an increase in stock in transit during Q2 FY27 compared to the corresponding quarter of the previous year. However, the impact was partially offset by favourable foreign exchange movements. The profit before tax and before exceptional items for Q2 FY27 stood at INR 36 crores as compared to INR 45 crores in Q1 FY27.

The decline in PBT during Q2 FY27 was primarily attributable to an increase in ocean price rate and a revision in the antidumping duty rate from 1.35-5.53%. The profit before tax and before exceptional items for Q2 FY27 stood at INR 36 crores compared to INR 53 crores in Q2 FY26. The decline in PBT during Q2 FY27 was primarily attributable to decrease in sales volumes and increase in ocean freight rates and also a revision in the antidumping duty rate, as mentioned 1.35-5.53%.

Comparison of performance for six months ended 30/09/2026 with six months ended 09/30/2025. The gross income for six months during FY27 was INR 737 crores as compared to INR 841 crores in the corresponding six months period of previous year, that is FY26.

A decrease of INR 104 crores in the gross income during six months of FY27 is mainly due to decrease in sales quantity by 1,691 MT representing 19%. So, this was mainly attributable to an increase in stock in transit during Q2 FY27 compared to the corresponding period of the previous year. The profit before tax and before exceptional items in six months FY26 is INR 81 crore as compared to INR 78 crore in six months FY26. An increase in PBT by INR 3 crore is mainly on account of better sales price realisation and favourable foreign exchange rates during the period ended 30/09/2026. Now, I hand over to Mr. K Srinivas Reddy to update the status of PetCare Project.

Srinivas Reddy

Thank you, Mr. D.V.S Sathyanarayana. Now, I would like to update PetCare Project. During Q2 FY2627, the company continued to strengthen its presence in the pet food segment under its brand Avant Furst, with encouraging market acceptance of both cat food and dog food. Q2 FY2627, sales increased to INR 202 lakh as compared to INR 180 lakhs in Q1 FY2627 reflecting continued growth in both cat food and dog food segment. The company continued to expand its market reach by strengthening its presence in

tier one cities, while progressively increasing its distribution network across type two and type three markets.

The products are also available on leading e-commerce platforms, including Amazon and Supertails, enhancing accessibility and reaching among customers across the country. The company continued to strengthen the Avant Furst brand through the targeted digital marketing initiatives on Instagram and Facebook, that is at Avant Furst. It's also planned to introduce new flavours and variants to expand its product portfolio and cater to evolving consumer preference and further strengthen its market presence. As informed earlier, the company has purchased land near Hyderabad for establishing a state-of-the-art pet food manufacturing facility and completed land conversion from agriculture to non-agriculture. The company also obtained the requisite consent for establishment approvals from the concerned government authorities and now planning to commence the construction activity.

Now, I hand over to JMD sir for closing remarks.

C Ramachandra Rao

Thank you, K. S. Good evening, ladies and gentlemen. The first two quarters of FY27 has been a mix of positive and negative developments in the aquaculture industry. A long-term future of global aquaculture is broadly positive with expected increase in the seafood consumption with more emphasis on value added products. Particularly, shrimp culture will have a mixed outlook with significant opportunities in future, of course, with considerable challenges also.

The positive factors are long term global demand for shrimp remains strong, growing acceptance of seafood as a healthy protein, increasing demand for value added and processed shrimp products, improvements in genetics, feed, farm management, automation, and disease prevention. However, the major challenges are probability of global oversupply and intense competition between producing country's farm gate prices may remain volatile. Feed costs continue to be a major concern, dependence on vagaries of nature, such as cyclones, floods, etc. Still disease management is significant challenge in shrimp culture. Export markets are increasingly influenced by tariffs, trade restrictions, and geopolitical developments.

Coming to the Indian scenario of aquaculture and company's performance. As expected, the Q1 FY27 started with a positive note with an expectation that the production and exports of shrimp would be around 19,000 MT in FY27. However, basing on the overall performance in the first half year and forecast for the rest of the year, it is expected that the exports in FY27 would be around 17,500 MT. The decrease in exports is anticipated due to reduced production of shrimp on account of impact of cyclones, floods, and disease in some areas. As far as the shrimp feed consumption is concerned, as in this earlier estimate of 11-12 lakh for the year FY27 is likely to be around 10 lakh MT as against about 9 lakh MT in FY26. As we have seen in the previous quarters, the prices of major raw materials such as fish meal, fish oil, soya bean meal, wheat flour, and other products have been increasing significantly, pushing the cost of feed upwards considerably.

Though the government has set up a mechanism for increase or decrease of feed price depending on increase or decrease of raw materials periodically, the feed manufacturers are caught in Catch-22 situation as increase in feed price beyond certain stage would make shrimp culture non-profitable and

unavailable for the shrimp culture farmers unless there is corresponding increase in farm gate prices. But unfortunately, the farm gate prices mostly depend on global export prices of shrimp, irrespective of the cost of shrimp production to the farmer. Therefore, it becomes important for the feed manufacturers to consider these factors before resorting to price increase, which may cause negative impact on sustainability of the shrimp culture as a whole. However, we consider this is a short-term phenomenon. And in course of time, things will stabilise and the sustenance of this aquaculture industry will continue to come back.

Then the present prices of fish meal at INR 210 per kg, soya bean meal at INR 90 per kg, and wheat flour at INR 36 per kg are exorbitant, and the cost of production of feed increases steeply. At this juncture, it is considered necessary that all the stakeholders, particularly the state and central governments, come to the rescue of the industry by appropriate steps to bring down the prices of the raw materials and keep them stable by sustainable growth of the shrimp culture industry in India. In this context, the Feed Manufacturers Association supported by Seafood Exporters Association have been representing to the government for an early action.

Coming to the shrimp exports, as you know, The U. S. has been the major export market for Indian shrimps. But India has been subject to imposition of tariffs by USA by way of antidumping duty, countervailing duty, Section 301 tariff impacting on margins. The company has been focusing on value added products and also diversify into other markets such as Japan, EU, Middle East, and Korea to reduce dependence on U. S. Market. The company has been achieving significant success in this direction.

I am confident that with the coordinated efforts and appropriate policy support, the industry can overcome these challenges and ensure that aquaculture continues to remain a strong contributor to Indian economic growth and export earnings. Thank you. Now, we will take up questions from investors.

Moderator

Thank you, sir. Ladies and gentlemen, we will now begin the question-and-answer session. If you have a question, please press star and one on your telephone keypad and wait for a turn to ask a question. If you like to withdraw your request, you may do so by pressing star and one again. Ladies and gentlemen, if you have any questions, please press star and one on your telephone keypad.

First question comes from Ronak Shah from Equirus Securities. Please go ahead.

Ronak Shah

Yes. Hi, team. Thanks for the opportunity. My first question is on the shrimp feed and the shrimp activities right now. So sir, as you are highlighting, there is a steep inflation across the board. Are you seeing any changes on ground in terms of aquaculture cultivation by the farmers? And secondly, from the price hike perspective, I guess we have taken 9-10% sort of price hike in June. After that, have we taken any price hike considering current steep inflationary trend? This is my first question.

C Ramachandra Rao

Yes. See, the basically, to answer the first question, though the prices of raw materials and also consequently the feed price has gone up recently. But since the farm gate prices are comfortable, stable now, the farmers are still continuing to have the positive profitability and they are continuing to continue the culture. And of course, there were some shortcomings because of the flights and all, early harvest. But then farmers are again restocking now in the month of November. And we expect that in the current quarter and also in the first quarter that is the Q4, with also the feed consumption should be improving.

But unlike in the normal course, the first three months of the calendar year, that is January, February and March, which happens to be the Q4 for the financial year, this year, it should be better because of the stockings that are taking place now. I think that should give a kind of a positive development from the sale of feed.

B. Santhi Latha

In October, we have taken a hike of another INR 8 in the month of October.

C Ramachandra Rao

INR 8 hike we have taken in the month of October.

Ronak Shah

So, in percentage, it would be another 8-10 %?

C Ramachandra Rao

Yes.

B. Santhi Latha

Yes. Around 8%.

Ronak Shah

Noted. Sir, my second question is on the export front. So wherein you are highlighting earlier, our expectation is to have 19,000 MT sort of export and which we have reduced to 17,500 MT, considering the production and all. But is there any challenge in terms of any sort of market? And in terms of current

duty structure, can you highlight what is the current exit duty structure into The USA market and how we are compatible compared to the other Asian plus Ecuador geography?

C Ramachandra Rao

Nikhilesh?

Alluri Nikhilesh

I'll take that. So, on the volumes that you started with the first question, they're almost stable. There's no major difference actually. As my colleague, D.V.S mentioned on the call, there's a lot of stock in transit because of longer transit time, which we've already realized right now in the following quarter. So that's that. On the duties, I'll let D.V.S mention the exact duties.

D.V.S Sathyanarayana

Yes, sir. So currently, the export duties, like, especially for USDA, so the company is paying antidumping duty at the rate of 5.53%, countervailing duty at the rate of 5.77% and Section 301 tariff at the rate of 10%. So overall, the company is paying around 21% in terms of import duties into U. S.

Ronak Shah

And in terms of the other Asian peers, can you highlight compared to the other Asian geography and Ecuador, what are their If duties right now?

Alluri Nikhilesh

If you could send an e-mail, we could put it out on paper because these are multiple duties across multiple countries. It's just going to take some time.

Ronak Shah

Definitely. No issues. Sir, lastly, on the current juncture of high inflation and the government intervention or mechanism, which we highlighted, can you highlight what sort of confidence which company is seeing in terms of margin revival, especially what we understood is the third quarter is again likely to be painful considering ongoing inflation? Nevertheless, if macro stabiliser remain at current level, are we expecting that FY 2028 would be the margin revival story? Or can we expect something earlier than that?

C Ramachandra Rao

See, I would say that, see, one of the major disturbing factors for this year has been the El Nino. El Nino has been paying a kind of havoc in the industry because of the weather conditions and the juvenile fish that is available and sufficient grown fish is not available for catches for the production of the fish meal. So, that is one of the reasons why we are facing this kind of a situation this year. In the normal course, as far as India is concerned, because in Chile and Peru, there has been lot of problems in getting the fish meal. So, there's a lot of demand for Indian fish meal. So, a lot of fish meal is being exported from India. So, the Aquaculture Feed Manufacturers Association have represented to the government to bring in some sort of a controlling mechanism because the availability of fish meal for shrimp culture in India is inadequate.

So, because there's big chunk of this is being exported outside the country. So, we have made a representation and some quota restrictions like so much should be available for the Indian consumption and only the like 34, 37, or 40. 60 something like that. We have made several representations, which is under active consideration of the Government of India. We'll have to wait and see how the government takes a broader outlook.

And we have also emphasized that instead of exporting the raw material, that is fish meal, we are exporting the finished product as such where your value addition is much more and the foreign exchange earnings are also more. All these factors have been brought to the notice of the government at the various levels from the bureaucratic levels to ministerial levels. We hope that some positive decision would be taken by the government soon and it will stabilise.

With regard to the soya bean meal also, there has been a lot of some sort of rumors and all like El Nino is going to create a lot of shortage in soya bean meal and soya bean as such crops. So, but all these things have made the market to anticipate some sort of a strong negative factors happening in future, the prices have gone up. And last few days, it has almost crossed the INR 80 also. So, this again we have represented to the government to permit a short-term import of soya bean meal, so that to stabilise the prices locally. That is also under consideration, but the response of the government is lukewarm because they say that the it will affect the Indian farmers. However, we have told that it is only a short-term measure, so this can be reduced the prices, which is going up like uncontrolled.

So that is I think the government will consider this also, will bring some appropriate measure to stabilise the soya bean meal price also. So overall, we see that the March, April till that El Nino effect is likely to be there, and this may have an impact on the natural products such as vegetable crops and also the fish meal. If the prices are likely to be a little challenging for the rest of the year, we may not expect a big reduction in the prices. So, with that, we are trying to do our best to with the government and see the cost of production is controlled and also the farmers' viability is also maintained. All these aspects, are seeing and taking appropriate measures.

Ronak Shah

Got it. And sir, lastly, any update on the Fish Feed Project, which we have talked about in last few odd quarters, any update on that front?

C Ramachandra Rao

Yes. See, it's very difficult because low-cost fish feed is available in India in plenty. There are number of, maybe I would say, feed mill and it is something like a backyard fish feed facility almost everyone will have. So, with that the sustainability and profitability of the Fish Feed Project is in a big question. So that's why we are not able to take a firm decision to go ahead on that, and we are still working on that because there are different types of fish feed. So, we are trying to see which is more profitable and how it works. So that's the reason why it's being delayed. We have not been able to take a firm stand on that.

Ronak Shah

Got it. That's it from my side. Thank you, sir.

Moderator

Thank you, sir. Ladies and gentlemen, if you have any question, please press star and one on your telephone keypad. Next question comes from Vivek Singh, an individual investor. Please go ahead.

Viivek Singh

Hello, sir. Hello, sir.

C Ramachandra Rao

Hello. Yes. You are audible. Please go ahead.

Viivek Singh

Yes. Sir, can you say that we are at the lowest margin in our business cycle right now?

C Ramachandra Rao

I didn't get the question, lowest margin? In what industry?

B. Santhi Latha

In our industry or what?

Viivek Singh

In our business in cycle, in our shrimp, we are now at the lowest margin or something more can be deterred from this point also.

C Ramachandra Rao

I would say that we are at the lowest margin now, actually.

Viivek Singh

Okay, sir. Next one is, sir, how is the scenario for upcoming year for next quarter? Are we are expecting that feed prices like you have explained, soya bean, fish meal, they are going to be on higher side because El Nino is going to be purchased for next year also as there are reports that El Nino will going to be purchased for next year. So, we can say that fish meal prices can remain higher for a year also?

C Ramachandra Rao

Yes. See, to answer your question, just now I mentioned that there are several factors working or determining the price of these products like fish meal, soya bean meal, or wheat flour. See, particular this year, we are facing the threat of El Nino, which is already working severe way in crops, drying up the water sources and all. So, with all that, the trend is likely to be continued in the rest of the year. And the prices are, we do not foresee any big reduction in the price. It will continue to be that. But however, in the next year, once hopefully that the climate will change, the El Nino effect slowly will reduce so that we will be able to get some good rains in the next year.

In the next financial year, we should be able to get good rains and have crops normally. And similarly, the ocean fish availability is also plenty adequate, so that we can expect some stability of prices in reduction and also stability of the prices in the long run.

Viivek Singh

Okay, sir. One thing is more. Sir, how is the margin in doing business with China and rest of the world, especially on comparing with U. S. market, how is the margin? Are we getting less margin in other countries in comparison to U. S?

Alluri Nikhilesh

So generally, since you mentioned with China, China has its own processing factories. So, they produce their own shrimp, Indian companies just supply them raw material. So generally, lower margin profile compared to the U.S. And compared to other markets, it really depends, cannot say specifically that this particular market has higher margin. It usually depends on the customer profile in each market.

Viivek Singh

Okay, sir. Can you say that, sir, U. S. Is the most lucrative market in compared to other geographies?

Alluri Nikhilesh

No. No, I wouldn't say so.

Viivek Singh

Because of that increase in these duties, you are saying, that U.S. is now not more lucrative. Is this understanding is correct, sir?

Alluri Nikhilesh

I would say, to look at it in a slightly different view. The U.S. is an important, customer for any large exporter, let it be shrimp or any other good. So, it is a big economy, as you probably know. So, any duty structure alteration over there does have an impact. But I wouldn't say The U.S. market is lucrative. No, that's not the case.

Viivek Singh

Okay, sir. And one last thing, sir. What about the bank account status, which we have opened in U. S. for reversal of some tariffs? You have mentioned in previous-to-previous quarter con call?

Alluri Nikhilesh

Yes. So, the U.S. Supreme Court has ruled that the reciprocal tariffs, were not legal. So, there is a refund mechanism. So, we did open our bank account, but the entries have not been liquidated yet. That means that the tariffs have not been refunded yet. So, you know with regulatory, we don't know exactly the time lines. They haven't mentioned so. So right now, we haven't received a bulk of the payment.

Viivek Singh

Okay, sir. Sir, any expectation or any color on from when we can expecting their reversal?

Alluri Nikhilesh

Like I mentioned, the Supreme Court has already ruled, so we need to get the funding refund, but they haven't been liquidated yet because there's some pending legal reviews regarding our antidumping. So, it should be there soon, but there's no timeline that the government has provided.

Viivek Singh

Okay, sir. That's it from my side. Thank you.

Alluri Nikhilesh

Thank you.

Moderator

Thank you, sir. The next question comes from Nitin Awasthi from InCred Capital. Please go ahead.

Nitin Awasthi

Hello, sir. Firstly, I just wanted to understand with the increase in tariffs that have happened over the last month. This is particularly in with regards to the ADD duty. This time around, given the preparations of Government of India, the expectation from the industry side and also widely from the government side was that this duty would actually be reduced. Given that in the previous time, this duty revision happened, there was an increase, and there was some blame game which went around saying we were not prepared. Authorities didn't have the right data to represent themselves and justify why these duties should not be levied on India.

However, what has happened and transpired over the last month is a massive increase again. So, would you, as a company or organisation, say that, again, we are seeing, somehow the authorities and the Indian officials not being able to justify the rates, the things given to, Indian exporters as not dumping? Or is it a political thing given that this time around the duties were also in the similar time when the elections in U.S. happened?

Alluri Nikhilesh

Thanks, Nitin. How are you doing?

Nitin Awasthi

All well, sir. Thank you.

Alluri Nikhilesh

So, on the duties, Nitin, so the one that the government was involved is more countervailing duty, which is the CVD. AD is more towards a particular single company, and then selling practices to the U.S. versus other markets. So that said, so on the AD itself, there is not much government intervention as said, but CVD, yes. There is. So, there is some effort being put on that. On the AD, yes, it's gone higher. It was quite surprising for most of us. So, we did appeal that there were some changes or some miscalculation in the AD review. So, there's an opportunity to appeal. So we've gone for the appeal.

So, we felt that it came out higher than it should have on consultation with a lawyer and everything. So, we did put an appeal, but we made a provision for that. So that said, yes, it is surprising that it went up. But the good point is that it's retrospective, so we hope that it goes down in the next review.

Nitin Awasthi

Understood, sir. Understood. And honestly, I think that, the provision is the right step. Even though you have gone for an appeal, I would agree that, given the situation, the revision of the provision would be more, proper way of accounting rather than not providing for it and, because the appeal is up. Thank you for that. The next question I had was on the feed front. Our feed price last financial year beginning was about INR 75. This financial year, we began with the feed price, which is accounted for on the books of Avanti at about INR 80 in Q1 ending which is INR 80. Q2 ending, it has been about INR 90.

With the price hike that has been ticking, we are headed towards INR 110 once the full absorption happens, maybe INR 107-110 in that range. That being said, would our EBITDA per kg, which had gone sub INR 3 in Q1, bounced back about INR 3 in Q2, look very likely to at least inch towards INR 5? If not, of course, not at where we used to be as a company given the challenges that are there in the market. But given the price hikes and the scenarios of the current commodities, could we be closer to INR 5 a kg on the EBITDA front? And the other calculations are missing, INR 107-110 on the feed front.

B. Santhi Latha

The price of INR 107-108 crores might be quite high because INR 90-108, you're talking about INR 18 increase. We didn't take that much of an increase in the sale price.

Nitin Awasthi

The total increase between INR 16, right, the sales price?

B. Santhi Latha

The increase INR 16.

Nitin Awasthi

Fair enough. So, we are in the range of INR 103-106, given the discounted. --

B. Santhi Latha

Not be that. Because if you are talking about INR 80 in Q1, so 80 plus 60, INR 96.

Nitin Awasthi

INR 96. So, we are at INR 96.

B. Santhi Latha

Yeah. We are around INR 96. Under the profitability, again, the raw material prices may play a major role. And also, this is not the peak season for the aquaculture. So, it all depends. So, we cannot say, like, whether it'll be five or three or two. If you see comparatively the previous years, we might be ending up with the same numbers or something, but we cannot.

C Ramachandra Rao

So, what has happened was that because of the cyclones, there was an early harvest. Because the shrimp has gone, not grown to full size. It was a very small-sized shrimps were harvested. So naturally, has happened is because the farmers have again started stocking now. So, what we are expecting is unlike in the normal course, the Jan, Q1, we normally will not have much sales at that time because the season would have closed by end of the year. But however, since the farmers have taken to stop now, they may continue for under, say, maybe 60 to 90 days, depending upon growth and other subject to other conditions that no more cyclones and no more diseases, etc.

So, with that, the consumption of feed also is likely to be more in the first three months of 2027, which happens to be at Q4. So, if that happens, then we will have a good performance for the Q4 compared to the previous years.

Nitin Awasthi

Understood, sir. Thank you so much for answering my questions.

Moderator

Thank you, sir. We have a follow-up question from Viivek Singh, Individual Investor. Please go ahead.

Viivek Singh

Hello, sir.

Moderator

Yes, sir.

Viivek Singh

Sir, how is the farm grade prices failing for shrimp, sir?

Alluri Nikhilesh

The price is very, very high. That's good for the farmer.

Viivek Singh

Okay. That's good for farmers and then good for us also, sir.

C Ramachandra Rao

Yeah. Yeah.

Alluri Nikhilesh

Yeah. Yeah. I would say.

Viivek Singh

Okay. Sir. Sir, I think El Nino and raw material prices has made the situation difficult for us. What makes the situation worse is these cyclones also. Is this understanding is correct?

B. Santhi Latha

Yes.

C Ramachandra Rao

Yes. Yes.

Viivek Singh

And, sir, what I am seeing that from next quarter or next year, at least this cyclone sector can be eliminated. So, results are going to be improved from here now.

C Ramachandra Rao

Yes, yes. If everything happens favourable, everything takes place. El Nino reduces its impact, and we get good fish meal prices and also good prices for soya, definitely, it will happen.

Viivek Singh

Okay, sir. Thank you, sir.

Moderator

Thank you, sir. Next, we have a follow-up question from Ronak Shah from Equirus Securities. Please go ahead.

Ronak Shah

Thanks for the opportunity. Sir, the question is regarding the FTA related benefits. Can you call out any emerging trend in terms of the FTA related benefit, which we are yielding? And in news also, we are seeing that Middle East is also looking to invest into the geography, specifically from the cultivation perspective? That is the first question.

And secondly, from the capital allocation perspective, so management used to hold on the cash considering the volatility in RM. But despite current steep inflation at INR 1,000 crore plus sort of inventory also, we are having sufficient INR 500-600 crores of cash on books. So, are we looking to have some alternate arrangement in terms of distribution of cash or sort of thing? So, these are two specific questions.

C Ramachandra Rao

I think what was the first question? I didn't get the first.

B. Santhi Latha

We didn't understand the first question. Can you repeat it?

Alluri Nikhilesh

Let me take that. So, the FDI, it was related to foreign direct investment.

Viivek Singh

No. FDI related benefits. Sorry. Is related to the FDI benefit.

Alluri Nikhilesh

Fee trade agreement, right?

C Ramachandra Rao

Oh, free trade. Yeah. Okay, please go ahead.

Alluri Nikhilesh

Okay. We have signed FTA with, Europe, which is very beneficial, UK, which is beneficial. I think recently, more recently, there was some public news that The Middle East is going to import more shrimp from India. So that is promising news. So, we are still waiting for policy to be come into play so that we can see those actual benefits. So, between the announcement to the enactment, there is some lag. So, we are waiting, but it is very promising, definitely. It's a very positive news.

C Ramachandra Rao

Coming to the second question, with regard to the cash, so see, we should appreciate that the because of the cash surplus that we have been able to utilize those funds for the working capital. What has happened in the last few last month, number of times the prices negotiations were made with the government and discussions with the farmers and all, lot of fluctuations were there. And during that time, the raw material prices were going up, and we have to hold lot of inventory for raw material inventory for the purpose of production for the current and the next early first crop also because these are all the natural products, which are available as and when they are harvested. So, we needed lot of funds for purchase the raw materials at a good price. So, they we utilize those funds, and it has come in handy to us by using it as a working capital.

And as and when we increase and we should be very in the long term, we found to be more useful to keep the funds in short deposits and mutual funds. And as in when we require, we withdraw that and we use them. And that seems to be working very well. And we don't foresee any other distributions at this point of time.

Viivek Singh

Understood. That's it from me, sir. Thank you.

Moderator

Thank you, sir. There are no further questions. Now, I hand over the floor to the management for closing comments.

C Ramachandra Rao

Thank you, gentlemen, for spending time for a review of the financial results for Q2 and we thank you for your participation. Thank you very much.

Moderator

Thank you, sir. Ladies and gentlemen, this concludes your conference for today. Thank you for your participation and for using Door Sabha's conference call service. You may disconnect your lines now. Thank you and have a pleasant evening.

Note: 1. This document has been edited to improve readability

2. Blanks in this transcript represent inaudible or incomprehensible words