

September 03, 2025

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 June 30, 2025.

Further to our letter dated August 29, 2025, we enclose herewith the transcript of post earnings Audio Conference Call for Investors/Analysts held on August 29, 2025 in connection with Unaudited Financial Results (Standalone and Consolidated) of the Company for the quarter ended June 30, 2025 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**

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



Avanti Feeds Limited Q1FY26 Results Conference call

Event Date / Time: 29/08/2025, 16:00 Hrs.
Event Duration: 01 Hrs. 09 mins 54 secs

CORPORATE PARTICIPANTS:

Mr. C. Ramachandra Rao
Joint Managing Director

Mr. A. Venkata Sanjeev
Executive Director

Mr. A. Nikhilesh
Director, AFL & Executive Director, Avanti Frozen Foods Pvt. Ltd.

Mr. D. V. S. Satyanarayana
CFO, Avanti Frozen Foods Pvt. Ltd.

Mr. K.S. Reddy
CFO, Avanti Pet Care Pvt. Ltd.

Q&A Participant Details:

1	Nitin Awasthi	InCred Capital
2	Yash Chandorkar	Vivog Commercial Ltd.
3	Ronak Shah	Equirus Securities
4	Kumar Divyanshu	Individual Investor
5	Ayush Mittal	Mittal Analytics Pvt. Ltd.
6	Rahul Rathi	Purnatha
7	Vincent Andrew	Geojit Financial Services Ltd.

Moderator

Good evening, ladies and gentlemen. I am Pelsia, moderator for the conference call. Welcome to Avanti Feeds Limited Q1 FY26 Investors Conference Call. We have with us today Mr. C. Ramachandra Rao, Joint Managing Director; Mr. A. Venkata Sanjeev, Executive Director; Mr. A. Nikhilesh, Director AFL and Executive Director, Avanti Frozen Foods Private Limited; Mr. D. V. S. Satyanarayana, CFO, Avanti Frozen Foods Private Limited; Mr. K. S. Reddy, CFO, Avanti Pet Care Private Limited.

As a reminder, all participants will be in listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal the operator by pressing * and then 0 on your touch-tone telephone. Please note that this conference is being recorded.

I would now like to hand over the floor to Mr. C. Ramachandra Rao. Thank you and over to you, sir.

C. Ramachandra Rao

Thank you, Pelsia. Good evening, ladies and gentlemen. I am pleased to extend a warm welcome to all of you for this Investors Conference Call to review the unaudited financial results for the Q1 FY26. Mr. A Venkata Sanjeev, Executive Director and Mr. A. Nikhilesh, Executive Director, have joined online.

Along with me here are Mr. D. V. S. Satyanarayana, CFO of Avanti Frozen Foods Private Limited and also Mr. K. Srinivasa Reddy, CFO of Avanti Pet Care Private Limited and other secretarial and accounting staff members.

To begin with, Mr. D. V. S. Satyanarayana will present highlights of financial results for the quarter ended June 30, 2025 of Shrimp Feeds and Shrimp Processing and Export Division and also consolidated financials of the company for the same period. Thereafter, Mr. K. Srinivasa Reddy will present the status of Pet Care project. After presentation by all of them, we will take up the question-and-answer session.

Over to you, Mr. D. V. S. Satyanarayana.

D. V. S. Satyanarayana

Thank you, sir. Good evening. Now, I will take you through the consolidated and standalone division financial performance highlights for the quarter ended June 30, 2025. First, I'll take you through the consolidated financial results for Q1 FY26. The comparative performance of Q1 FY26 with that of Q4 FY25 and Q1 FY25 have been given in the presentation already circulated. Gross income in Q1 FY26 is INR 1,657 crore as compared to INR 1,432 crore in the previous quarter that is Q4 FY25. So, an increase of INR 225 crore by 15.7%.

Compared to Q1 FY25 that is corresponding quarter in the previous year, gross income up INR 1,538 crore. So, there is an increase of INR 119 crore by 7.7%. The PBT is INR 249 crore in Q1 FY26 as compared to INR 211 crore in Q4 FY25. So, we can see an increase of INR 38 crore by 18%. And compared to Q1 FY25, PBT of INR 180 crore, there is an increase of INR 69 crore by 38%. The consolidated results indicate net impact of several factors such as increase or decrease in income and expenditure, etc., relating to Feed and Frozen Food division, which have been discussed in the following divisional performance of these units individually.

Standalone financial results of Feed and Processing divisions.

First, I will take you through the Feed division Q1 FY26 results. The gross income for the Q1 FY26 is INR 1,279 crore as compared to INR 1,067 crore in the previous quarter of Q4 FY25, an increase of INR 212 crore, mainly due to increase in quantity of feed sold during the main season. The gross income in Q1 FY26 decreased to INR 1,279 crore from INR 1,296 crore in the corresponding quarter of Q1 FY25. A marginal decrease by INR 17 crore due to increase in sales quantity by 6,974 metric ton, and the same has been compensated by a decrease in sales price by INR 4 per kg.

The PBT for the Q1 FY26 is INR 224 crore as compared to INR 194 crore in Q4 FY25, an increase of INR 30 crore by 15.5%, mainly due to decrease in raw material cost. The PBT in Q1 FY26 was increased by INR 71 crore from INR 153 crore in Q1 FY25, represented by 46% due to increase in sales and decrease in raw material costs. The feed sales increased to 1,65,564 metric tons in Q1 FY26 as compared to 1,29,711 metric tons in Q4 FY25. And in Q1 FY25, the total feed sales were 158,591 metric tons.

Increase in profitability when compared to previous quarter and the corresponding quarter of the previous year is mainly due to increase in sales and other income, also decrease in raw material cost and better overhead absorption. The major raw materials are fish meal, soybean meal and wheat flour. The noticeable development in this quarter is softening of two major raw materials that is fish meal and soybean meal, resulting in improvement in the profitability. The prices of these raw materials are fluctuating since their production is based on agriculture and fish catches from the ocean.

The prices of fish meals increased to INR 93 per kg in Q1 FY26 from INR 91 per kg in Q4 FY25 and decreased from INR 117 per kg in Q1 FY25. In case of soybean meal, prices reduced to INR 39 per kg in Q1 FY26 from INR 40 in Q4 FY25 and INR 49 in Q1 FY25. However, the wheat flour price decreased to INR 31 per kg in Q1 FY26 from INR 36 per kg in Q4 FY25, and it is increased from INR 28 per kg in Q1 FY25.

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. As you noticed, the first half of the year 2025 has been a good profitable period. However, the forecast for the second half of this year is challenging due to factors like gradual increase of raw material prices and levy of reciprocal tariff by U.S. at the rate of 50%, which will have a significant impact on the performance of the company, particularly the second season.

To sum up, in general, FY2526 is expected to be a mix of favourable and challenging seasons for the aquaculture industry, both in respect of shrimp production as well as exports from India and global demand for shrimp exports.

Shrimp production and feed consumption in FY25 and the Company's plans for FY26.

Shrimp feed consumption:

On the basis of estimated shrimp production of about 10 lakhs to 11 lakh metric tons in the calendar year 2025, the feed consumption is estimated to be about the same levels. The company's feed sales during the FY25 were 5,55,247 metric tons against 5,31,967 metric tons in the financial year 2024. It is estimated that the feed sales during FY26 would be around 5,60,000 metric tons.

Shrimp processing and export.

India's shrimp exports touched 7,45,520 metric tons in financial year 2025, generating a revenue of \$5.17 Billion. Frozen shrimp remains a major export item in quantity and value, accounting for a share of about 40% in quantity and 66% of the total dollar earnings. The company's shrimp exports during the FY25 was 14,149 metric tons as compared to 13,444 metric tons in the year 2024, an increase by 682 metric tons. It is estimated that the exports during FY26 would be around 17,000 metric tons.

Now, I will run through the Shrimp Processing division Q1 FY26 results. The gross income for Q1 FY26 is INR 378 crore as compared to INR 364 crore in Q4 FY25, an increase by INR 14 crore, representing 4%, mainly due to increase in sales quantity by 123 metric tons, which represents 3%. The gross income in Q1 FY26 increased to INR 378 crores from INR 243 crores during Q1 FY25, an increase of INR 135 crore, representing 56% YoY growth. The sales volume during Q1 FY26 increased to 4,223 metric tons from 2,783 metric tons in Q1 FY25, an increase of 1,440 metric tons.

Higher sales in Q1 FY26 were driven by majorly volume growth and increase in average selling price realization and of course favourable foreign exchange rates. The PBT before exceptional items for Q1 FY26 stood at INR 25 crore from INR 18 crore in Q4 FY25 due to higher sales volume, increase in average sale price realization and increase in RM price. The PBT in Q1 FY26 was INR 25 crore, a decrease from INR 27 crore in the corresponding quarter, that is Q1 FY25, primarily due to marginal increase in raw material prices.

Update on the fish feed business.

As reported in earlier con call, the company has imported fish feed from Thai Union Feedmill Company Limited and is conducting trials under Indian conditions. Once the product performance is approved, the production in India will be taken up for domestic sale. So, with this Feed and Frozen Divisions are completed.

Now, I hand over to Mr. K. Srinivasa Reddy to update the status of Pet Food project.

K. Srinivasa Reddy

Thank you, Mr. D. V. S. Satyanarayana. Now, I would like to update the Pet Food project.

As already informed, the company successfully commenced a trading in cat food from January 2025. It's our first product range under the Avanti Pet Care brand that is Avant Furst. In cat food, ocean fish flavour, the response from the pet owners is highly positive. As on date, we cover the 60% of pan India.

During Q1 FY2526, the company recorded sales INR 38.17 lakh, showing steady growth from INR 25.79 lakh in Q4 FY2425 in one cat food flavour. In July 2025, the company expanded its cat food portfolio with the launch of second flavour, Tuna. In addition, the company launched a dog food, chicken and vegetable flavour. Trading started in August 2025, which constitutes the largest share of the pet food industry around 65%.

On the market expansion, the company expanded its presence in Tier-1 cities and initiated expansion in Tier-2 city markets. In addition to this, e-commerce operations are planned from September 2025, followed by Quick Commerce from December 2025, enabling a wide reach and faster consumer connect. The company continues to focus on creating a strong brand visibility for Avant Furst. So, the

digital marketing campaigns and Instagram and Facebook that is @avantfurst, aimed at increasing consumer awareness and our brand engagement.

As you know, company has purchased and converted from agriculture to non-agriculture approximately 30 acres of land near Hyderabad through proposed state-of-art manufacturing facility. And present survey and land development for construction is in progress. The company is planning to commence the construction by end of this year after obtaining necessary government approvals. This is about the update of Pet Care.

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

C. Ramachandra Rao

Thank you, K.S. As we have already seen, the performance has been so good. Let me just give you update on the current quarter, which is in progress now. Initially, the culture started very well and it was progressing, but due to heavy rains, there were premature harvest and some diseases here and there, have actually temporarily slowed down the aquaculture activity. And now again, it has started and going very well. So, we expect that this trend would continue throughout September and October, so that we'll get good production by this season by October-November. So that, that will take care of our production requirements, whatever we have anticipated in respect of Feed sales.

That being the case about the feeds, the other important aspect about Feeds is the increase in raw material prices. It is a little bit surprising that commodity prices have gone up, which has been more or less stable throughout this year, right from the beginning. For example, fish meal, which has been quite long at the rate of around INR 93, INR 94, has now come up to INR 105 now. Similarly, soybean meal, which was around INR 38, INR 39 has gone up to INR 47 now.

So, these prices have gone up. One of the reasons being that the government has announced minimum support price, which is effective from October that is one of the major reasons. And we expect that first the fresh crop of soybean meal would arrive the market in the month of October. So, we expect that the prices of soybean meal would stabilize by then because as of now, the crop is growing well, and we are expecting a good crop this year also just as in the last year.

Similarly, in the wheat flour, wheat flour was about INR 31 in the Q1 FY26, but now it is around INR 35. So, this price has also gone up. And the fresh crop comes around end of February and March. So, we expect that some stabilization would take place in respect of wheat flour. So as you know, and we have been saying almost in every con call that the raw material prices are very crucial in determining the profitability and margins of the Feed Division.

So, we look for stable prices in the rest of the financial year also, so that we end up with the volumes more or less the same, marginally increase, it is about 560,000 metric tons we are expecting. And if we achieve that the volume and price are being stable, so we should be able to make reasonably good returns.

Now, coming to the most important aspect, this is the burning topic of today, that is the U.S. levying reciprocal tariffs from the 50% with effect from August 27, which has come into effect now. Several efforts have been made by the governments and export promotional organizations to arrive at a reasonably good level so that it will be beneficial for both the countries for bilateral trade. However, as of now, there is no such development which has taken place and the effective 50% has come into force.

That having realized the reality, then we have now working and we have been in fact working for some time to develop our markets to other destinations like Japan, Europe, and Canada and other countries where we want to expand and we have been able to achieve reasonably good results over the past one year. Gradually, we are increasing and decreasing dependence on the U.S. market that is a positive development. And also, we are expecting the government also would come in for help of the industries, particularly the three sectors which have been severely affected by this 50% tariff, that is textiles, gems & jewelry and aquaculture.

So, we have learnt that the government has already been seriously working on the modalities, how these industries can be supported for survival and to look for other markets by way of increasing the exports instead of U.S. And simultaneously, the government is also working on promoting the domestic market so that as an alternate to the export market, we have a big population in India and the consumption of shrimp is very, very low. So, this is the one opportunity that we have come in the way. So, with the government support, we hope that we will be able to promote the domestic market sales also and we have already started and we have achieved reasonably good success. And in course of time, Mr. Nikhilesh will explain you the steps that we have taken for this promotion of the domestic industry.

So, coming to the specific rates, I think India has the highest, I think there are only two countries in the world which has got, one is Brazil and India have 50%, the highest, Thailand has 19%, Vietnam has 20%, Indonesia has 19%, Ecuador 15%. So, these are the rates, of course, we are nowhere near any of these countries. But nevertheless, we are very confident and we should be able to get back into our sales to other countries and also domestic sales. We don't see any big challenge in the long run. It is only a short lived and a temporary phase, by maybe in about 3-6 months' time, we should be able to get back to our original position. This should not be a problem.

So of course, there's the details of this 10%, before September 17, arrival in the U.S., the rate is 10%. Between September 17 and October 5, arrival in U.S., it is 35%, 10% base plus line tariff 25%, total 35%. After October 5, it is 50%. Goods loaded on a vessel for final transit between August 7 and August 27, before September 17 in U.S., 25%; on or after September 17, 50%. Goods loaded onto a vessel for final transit after August 27, arrival in U.S., regardless of arrival date, 50%. See, in addition to the tariff at the rate of reciprocal tariff of 50%, the levy of CVD which is at the rate of 5.77 presently, is always an additional burden to the export of shrimps region, which is the largest export market for the company till date.

Keeping this factor in view, the endeavour of the company is to expand its global market to other destinations like Japan, Korea, European Union and Middle-East. It is pertinent to mention that in view of the reciprocal tariff by U.S. having come into effect, the company and in India focusing on export to other markets and also promote the domestic market for shrimp sales. Further, it is reliably learned that Government of India is also working on steps to support the marine products export sector at this juncture of severe hardship caused to exports to U.S. We do hope that the government will roll out appropriate measures to mitigate the adverse impact on account of the reciprocal duty.

Overall, the global market for shrimp consumption is expected to be stable in 2026 compared to 2025, maybe with a marginal increase by about 5%. The focus is on demand for value-added products, which is gradually increasing and processes see better margins in value-added products and your company is also focusing more on value-added products to get better margins, where the company is working with this objective to maintain the better margins.

I think with this, I will now open the discussion for question-and-answer session.

Moderator

Thank you, sir. Ladies and gentlemen, we will now begin the question-and-answer session. If you have a question, please press * and 1 on the telephone keypad and wait for your turn to ask a question. If you would like to withdraw your request, you may do so by pressing * and 1 again. Ladies and gentlemen, if you have any question, please press * and 1 on your telephone keypad.

First question comes from Nitin Awasthi from InCred Capital. Please go ahead.

Nitin Awasthi

Hello. I have two questions. Firstly, on the volumes front and on the feed volumes, but not for the company, for the industry as such. For the shrimp industry as such, do you expect a fall or stability within the shrimp feed volumes?

C. Ramachandra Rao

I think the shrimp feed; there will not be any fall. We are expecting that it will be the same level as in the previous year, even slightly better. We are expecting about 5,60,000 metric tons of feed for this year. As far as the shrimp is concerned, the production is also likely to be there more or less the same level. Yes, we do not expect any reduction, steep fall in the production of our shrimps this year because of these tariff changes.

Nitin Awasthi

Understood, sir. So second question, I think, Nikhilesh sir would be more suited to answer this question. It's on the processing side of things. But broadly, because of these tariffs, which has come out and because the whole industry is getting disrupted, do you see any positive developments coming out of this?

When I say positive, what do I mean? I'll just clarify that. So, we'd have that thought process narrowed down that do we see the price inflation of this commodity within U.S., making it very expensive for the U.S. consumer to actually have this produce by which that whole conversation that keeps happening that India is dumping will stop happening and the U.S. consumer will realize and the market will realize that we are a necessity to provide shrimp at affordable cost to the U.S.?

A. Nikhilesh

Hi, Nitin. I hope all is well. Yes. I think you've been consistently the first person to ask the question the last few quarters. But that's a good question.

So, to answer that, I think that's a very broad question, and there would be a lot of speculation, and everybody's opinion would differ. In my opinion, yes, there's definitely going to be an inflation in the price of shrimp in the U.S. because all the producers have duty. So, the minimum is 15% for Ecuador and going up to all almost 50% for India, which is the major supplier to the U.S. So, there is definitely a price increase. But in my understanding on the dumping viewpoint, we need to see what the regulator looks at basically. They usually look at whether we are selling to the U.S. at a much lower price than what we're selling to other markets thereby dumping the product.

So, that's something that the DOC will have to review. But, right now, it would be too early to speculate how they would view this. But on the inflation point, definitely, we're already seeing that in the market that the price of shrimp is going up, not gradually, but quite drastically.

Nitin Awasthi

Understood, sir. So, all the shopping from the U.S. importers for this year's holiday season would have been done or would a part of it be still stalled because of the tariff?

A. Nikhilesh

So, I think a good portion of it is completed, at least for Avanti. We did ship out a considerable amount of product in the first quarter. That's why you see a huge jump in revenue, but there are always parts of it which need to be shipped out. So, we continue to ship at the moment to the U.S. market, and I believe that's also for the industry.

The November-December period is the holiday season in the U.S. where they require shrimp a lot, where people are eating out and preferring to eat seafood. So the retailer, from what I understand, would like to continue having product on their shelf. So, there are shipments continuing. So, the short-term impact is not as large as we anticipated.

Nitin Awasthi

Understood, sir. Thank you.

Moderator

Thank you. The next question comes from Yash Chandorkar from Vivog Commercial Limited. Please go ahead.

Yash Chandorkar

Hello. Am I audible? Hello?

C. Ramachandra Rao

Yes.

Yash Chandorkar

Thank you for giving me opportunity. I have two questions. First, I want to understand overall how this tariff will impact on our company? And second one is I want to know if any rerouting of our shipments is happening or in general also, like, shrimp shipments, we look at some other countries or like that?

C. Ramachandra Rao

I would ask Mr. Nikhilesh to answer this question.

A. Nikhilesh

So, on the impact of the industry, generally, I would say that on the 50% tariff on India impacts almost 55% of the total exports into the U.S. market covering several sectors, including seafood, textile, gems and jewellery, etc. So on that front, definitely, there's an impact on the volume. So at the moment, like I answered in the previous question, the immediate impact is not as much as we thought because we continue to ship because they cannot replace their supply chains almost immediately, especially since India is one of the largest producers of shrimp. So, on a short-term basis, we don't anticipate as large of an impact as we first saw at when the tariff of 50% was introduced.

On Avanti itself, as you know, our feed business is about 50% of the market share. So, all the products, all the farmers that we sell to who are selling to non-US markets also are part of the system. So, the impact over there is not as large as the impact that it would be on the processing business where we derive more than 60% of our revenues from the U.S. business.

So, that's the first part of the answer. Could you repeat the second question again?

Yash Chandorkar

Just want to know any rerouting in our shipments.

A. Nikhilesh

I'm sorry about that. So, that's completely illegal so that we don't definitely do anything like that. We don't reroute any of our shipments.

Yash Chandorkar

Okay. And industry-wise, if you see, like, from any other countries, is this happening?

A. Nikhilesh

Again, like I said that this is illegal. If the U.S. Government finds out, then we're talking about a complete ban on the company and, like, severe federal penalties. So definitely, I don't think and advise anybody to look into that.

Yash Chandorkar

Okay. I understand. Thanks for answering my questions. Thank you.

Moderator

Thank you. The next question comes from Ronak Shah from Equirus Securities. Please go ahead.

Ronak Shah

Yes, sir. Thanks for the opportunity. So, my first question is regarding to the processing business or the export, both from the industry and Avanti's viewpoint. So, once our shipments have started reaching to the territory where the tariffs are taking place at 50-odd%, are we seeing discounts or some sort of passing of the tariffs from the customer and to the companies in India?

And secondly, as highlighted that there cannot be a near-term impact; however, if we assume the status will take a time to get update, how we see the business impact in terms of the sales and the margin?

A. Nikhilesh

Okay. So, the first question on tariffs passing on, see the tariff of 50% is something that we cannot absorb. So, we're definitely passing it on to the customer. And the customer, in turn, is averaging out their total purchases from different countries at different tariff rates because, as you know, the U.S. policy has been extremely volatile in the past 8 months. So right now, even the customer is taking the wait and view approach.

Things can change overnight in the current situation with the volatility that we've experienced in the past few months. So, they continue to do business as usual. So, they are averaging it out and putting it on their shelves. So, that we need to see what is the impact on sales in the next probably in early 2026.

So that said, on the second question, like you said, the short-term impact is not as large as we anticipated, but, of course, this will have long-term repercussion. On the short term, as you know, Avanti, as a company, has been diversifying from the U.S. market actively in the past few years. So, we do have other customer base outside the U.S., which is continuing to support our manufacturing. So currently, we have not stopped production. We're continuing to produce to our customers around the world.

On the margin, I think in the short term, we still look at stable margins and look to have the same profile in the next quarter, at least looking at things today.

Ronak Shah

Okay sir. And my, sir, second question is regarding to the overall guidance. So when we look to the conversation which we had till now, so we are seeing the higher tariffs. They can be the second crop is looking, sir, difficult. So, on top of that current heavy monsoon and all, which has infected some crops.

So, how management is confident of achieving 5.6 lakh ton of the Feed sales in FY26 and on top of that, 17,000 metric ton of exports, we are seeing such kind of volatility and the heavy dependence on U.S. market?

C. Ramachandra Rao

I think, it has two parts. Let me just tell you as far as the production is concerned. So, we believe that the production this year is about 5.6 lakh metric tons because the same level as it was in the previous year. See the first season, we started very well and in between, we had some setbacks because of the untimely and heavy rainfall and also some spread of diseases and premature harvest. But now again, it has picked up.

And now, the culture is growing well and we keep continue to grow shrimps. And as far as the market is concerned, so we have a strategy and Nikhilesh would explain you that how we are trying to find the markets for the total production that the capacity utilization of our plants and how to make use of the production that we get it. Nikhilesh, could you just give a highlight on that?

A. Nikhilesh

Could you repeat that question, please?

C. Ramachandra Rao

The question, what you were saying that because we said that in the second crop, that is what is going on now also, we'll have a good crop. This question is that how will you find the market for this increased production because of these tariffs. Am I right?

Ronak Shah

Yes. So, just refining my question. So, I just want to understand when management is giving a guidance of 5.5 lakh tons of sea feed sales and on top of that 17,000 of exports of the aqua product. So, how confident we are? Because as highlighted, just in short term, we are not seeing any impact, but in longer term, it may impact. So, how that?

A. Nikhilesh

I understood your question, sir. So basically, see, at 50% tariff, it is like quite a difficult situation for India as an export market, not only for shrimp, but for all products that are going towards the U.S. That said, because 50% of the total seafood in India is exported to the U.S. There are definitely lot of works that the country is doing, like signing to FTAs with UK and also trying to work with other countries.

But it is definitely an impact. So, the confidence level is not at a high 90%, definitely. Because we are battling a sort of volatility and a high tariff rate in the short term. But on the long term, we hope that India and US can conclude to some kind of understanding because it's impacting the whole country.

But as a company, we are actively diversifying into other markets. We have good clientele. On the first quarter, we reported a 50% jump in sales. So, that's a huge amount of sales that we already covered in the first quarter. Second quarter is also looking good.

I wouldn't say that there's a big problem. But on the long term, if this tariff continues to stand, there'll be a shortfall in the volumes what we did last year. And this is not consistent only to Avanti. It would be consistent to the whole industry and it would be consistent to the whole country as well in other industries also.

So that said, like I said, we are quite confident that in the long term, we will be able to diversify into other markets. We would be able to work in the domestic market where there's a huge consumer base of more than 1.4 billion people. And we also looked at the India and U.S. relations normalize in the long run. So, I hope that answers your question.

Ronak Shah

Yes, sir. And, sir, if may permit for the last one. So lastly, from the margin viewpoint, so we are sitting on the August 29. It's like a 60% completion of the quarter. And on the margin front, how you are seeing?

Because I guess we are absorbing, we did get our part. So, considering the current RM price and the volatility, are we expecting around 6-7% on kind of those?

A. Nikhilesh

That we need to see at the end of next month. So because we can't disclose it right now.

Ronak Shah

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

Moderator

Thank you. Ladies and gentlemen, if you have any question, please press * and 1 on your telephone keypad.

The next question comes from Kumar Divyanshu, an individual investor. Please go ahead.

Kumar Divyanshu

Yes, hello?

A. Nikhilesh

Hi.

Kumar Divyanshu

Thank you for giving me opportunity and for the very good numbers. So, my first question is on your business of shrimp feed manufacturing. So, I would like to ask from this aspect that how much domestic market produces of your revenue? Like, could you suggest me in the percentage then? Because it is one of the largest parts of your business.

A. Nikhilesh

More than 99% would be the domestic market.

C. Ramachandra Rao

So, I think are you asking shrimp feed?

Kumar Divyanshu

No, sir. I'm asking about shrimp feed manufacturing.

C. Ramachandra Rao

As Mr. Nikhilesh said, it's 99% domestic market.

Kumar Divyanshu

Okay. So accordingly, because this is the largest part of our business, so I think the impact due to the tariff will not be much on your revenue?

C. Ramachandra Rao

No. See, we are expecting, as I told you, 5.6 lakh metric tons of feed we are planning to produce and sell this year. So, not only the U.S. market shrimps, but also there are other markets also, the production keeps going on for other markets also, though the production will not stop, the shrimp production continues and we are confident that the production of shrimps will be on the same level as in the previous year.

And similarly, the feed also, consumption will be on the same level. We do not see any fall or decrease in the sale of shrimp feed or shrimp sales.

Kumar Divyanshu

Okay, sir. And then next question is from the ratio section, the days payable in March 2025 has been increased, but rest of the things have been reduced. So, could you please comment on that?

A. Nikhilesh

Can you please repeat again?

C. Ramachandra Rao

Can you repeat the question, please?

Kumar Divyanshu

Sure, sir. In the ratio section, the days payable in March 2025 have increased as compared to the March 2024. But rest, all the ratios are fair good. They are decreasing. So, could you please comment on the days payable?

C. Ramachandra Rao

Yes. Please hold on here just. Can you give me the page number, please?

Kumar Divyanshu

Sir, actually, I'm just checking one of the from the source data, which I have fetched from the online. So, it is mentioning over there that days payable in March 2024 was 27. But in March 2025, it tends to 34. But the debtor days, inventory days, cash conversion cycle, working capital days, all are in decreasing frame that is very good. Just this is a concerning point, which I want to ask.

C. Ramachandra Rao

No. We don't know where from you?

A. Nikhilesh

Where did you get it, we don't know?

C. Ramachandra Rao

We don't have this figure. Can you please send a mail? We'll answer you because we are not able to get hold of the numbers which you are speaking about.

Kumar Divyanshu

Okay, sir. And the next question is how will you see or how you are seeing upcoming quarter result of September and December is concerned?

C. Ramachandra Rao

So, we'll have to wait. September is not yet go or no, it has not yet started. So, we will see, let's wait for one more month. I think on next quarter con call, we will be able to discuss more about this quarter's performance.

Kumar Divyanshu

No, sir. Actually, because of the tariff announced, do you see any decline in the sales or in part of the revenue?

C. Ramachandra Rao

Nikhilesh, could you please take this question?

A. Nikhilesh

Could you repeat that question, please?

Kumar Divyanshu

I'm telling that in the coming quarter of September and December, so could you please address that part of the effect of tariff on your revenue? Like, will it get hampered so much? Or is there any trend to overcome on it?

A. Nikhilesh

I think as of now, if the tariff continues at this rate, I would feel that the impact would be seen not in Q3, but probably in Q4 because according to our accounting, whatever we're shipping today, only when it delivers into the warehouse of the customer, we recognize it as revenue.

So, it would take a lead time of 50 days. So, I don't think there'll be significant impact in Q3, but you would see more impact in Q4 if the tariff continues to hold this way. And if you ask about Q4, I would just say it would be better to answer this question next con call because things are changing every day. So, it's difficult to speculate for the last quarter right now.

Kumar Divyanshu

Okay. And sir, the last question is from your business from Pet Feed and Pet Care. So, is there any planning to increase the revenue from both the two segments of your business?

C. Ramachandra Rao

We don't have any immediate plans for expansion. We are just watching. There's so much of volatility in the market. We want to keep watching this year and take decision in Q4.

Maybe at that time, we get clarity on the future prospects and how things are going. For the present, we are focusing on the other pet care and other diversified products.

Kumar Divyanshu

Okay. Thank you so much. Thank you very much. That's all from my side.

Moderator

Thank you. The next question comes from Ayush Mittal from Mittal Analytics Private Limited. Please go ahead.

Ayush Mittal

Good afternoon, everyone. Am I audible? Hello?

Moderator

Yes, sir.

A. Nikhilesh

Yes. You're audible.

Ayush Mittal

Yeah. First of all, my appreciation to the company for a very good performance. When we compare performance to other peers, Avanti always stands out in terms of what our company has delivered, maintain its leadership in the shrimp feed segment, the margins we have done. All those things are very commendable to the entire team.

Now, coming to the current challenges that we are seeing, I think this tariff thing is a big issue when we are reading the newspapers, the amount of tariff that has been put, though we all would be hopeful that things revert to normal or at least revert. But as of now, given the negative environment, have you been asked to cut down the feed prices by the government or something?

C. Ramachandra Rao

No, nothing like that because at this point of time, we have recently cut our prices by INR 4. So, there's no such request from the government, nor from the farmers. We don't have such request.

Ayush Mittal

Sir, when was this INR 4 rupee cut price?

C. Ramachandra Rao

Yes, INR 4 cut was there.

Ayush Mittal

When was that done?

C. Ramachandra Rao

April.

Ayush Mittal

Okay. So, if you see our fee segment, I think the operating margins are at a very high side versus the normal margins we used to do. And now that RM prices are also rising, so we should be coming back to the normal margins of 10-12%. Is that the right number?

C. Ramachandra Rao

Yes. But these things are highly volatile where, as I just mentioned in my initial remarks that the prices are slowly going up. We wish that it will get stabilized again once the new crop of soya and also we get the wheat price and the fish catch is also good. So then the prices, if they remain, definitely we'll have the good margins. But having said, this is not in our hands.

The raw material prices are dependent on so many factors because they are agri products, soya and wheat and fish meal depends on fish catches. We cannot say that suddenly it drops, the catches drop. It has happened about 15 days back. The catches started declining very fast. So, the prices went up.

And when the catches come good, the prices come down. So, it's highly volatile. So yes, we only wish that it will be stable, so we should be able to give you better margins.

Ayush Mittal

Got it. Sir, like you mentioned that this crop was impacted due to very heavy rains. So, is that the reason that we are seeing a very sharp drop in export data for the industry in the recent months? Like, after Q1 was very good, but the articles said the volumes of shrimp exports have been very much impacted from India. Is it temporary or?

C. Ramachandra Rao

Mr. Nikhilesh. Please go ahead.

A. Nikhilesh

Yeah. Could you repeat the question, please?

Ayush Mittal

After very strong Q1, there are certain reports that the shrimp export volumes have fallen dramatically in last one or two months from India. Is that due to the crop issue we mentioned earlier or is it due to the tariff or temporary?

A. Nikhilesh

No. So, it's primarily due to the seasons. It's monsoon season. So, when it's monsoon, it's low season. So, the exports will be quite low in that period. There's low availability of raw material, simply because, like, if it's raining so much, the shrimp will come out of the pond.

Ayush Mittal

Got it.

A. Nikhilesh

So, generally, we consider that as the off season, point number one.

Point number two, The President Trump announced the tariff, people were just more cautious on putting product out on the water and then again talk to the customer and get some guidance on what to do with the products. Both these things coupled together would have put impact on the total export.

Ayush Mittal

Got it. And which like you mentioned earlier that you expect a revival in coming months?

A. Nikhilesh

Like, what do you mean? The revival in total export?

Ayush Mittal

Yeah.

A. Nikhilesh

I think currently, right now, I did not say that I expect a revival. I said that we hope that things would normalize in terms of our relationship of India as a country with the U.S.

Ayush Mittal

Sure. On the animal feed, like the pet venture that we have started, is there certain revenue numbers or targets that we have set for this year?

C. Ramachandra Rao

Yes. Mr. Nikhilesh? Sorry. Mr. Venkata Sanjeev? Would you like to answer?

A. Venkata Sanjeev

Yes, sir. We have a target of INR 10 crore for this year.

Ayush Mittal

Okay. And given that we are doing a very large expansion in this segment, would we also try to get into some contract manufacturing and other things for MNCs or foreign companies because that is how we will be able to utilize the plan given the large investment we are doing? Any thoughts or guidance for that?

A. Venkata Sanjeev

Yes. We're looking at all the possibilities that we can do for the bigger players to export when the plant is ready.

Ayush Mittal

And any time lines for that?

A. Venkata Sanjeev

It will take a year and a half or so. We're going to start construction of plant by end of this year. So, it should take a year and a half or so from this.

Ayush Mittal

Okay. Got it. Thank you. One more question from my side. Nikhilesh, if you can also talk about the shrimp processing segment. Like, I think we were doing some more expansion on that side and we were looking to ramp the volume. So, given the current environment, how you're thinking about that part going forward?

A. Nikhilesh

So that currently, we are doing a wait-and-see approach. Right now, we put on hold any further, expansion because of the current tariff situation. But in the long-term view, personally, in my personal opinion, I feel that things will normalize. The only question is when. And then, we still enjoy a good customer, clientele confidence on our product mainly based on our quality and our range of offerings.

So, when things normalize, we can quickly get back onto those, put those plans back on track. So right now, they're on hold temporarily. We're also, like, kind of planning the, long, weighted, maintenance projects, etc. It's the right time to do those. So, I guess, one of the investor in the previous questions asked, is there anything good that we're looking at it? It's good for us to focus on some R&D work, maintenance work, etc. in this situation. So, I hope that answers your question.

Ayush Mittal

Yes. Thank you.

Moderator

Thank you. The next question comes from Rahul Rathi from Purnatha. Please go ahead.

Rahul Rathi

Hi. Congratulations on a great set of numbers. I had a question on the supply side. Given the tariffs and the fact that you might start CapEx as you get visibility, how does our quality be replicated in any other geographies?

And is there a moat around our geography and quality at the volume that we are looking at?

A. Nikhilesh

That's a good question. Generally, in the market, Indian product is very good for food service. So, this means that when a restaurant chef picks it up, they really enjoy Indian product because of the workmanship, the quality parameters, and the overall quality control over the other peers. So, I wouldn't say that it's a moat, but I would say that there's definitely a preference. That's why India accounts to more than 40% of the exports to the U.S. market.

Second, shrimp processing, itself is a highly labour-intensive process. So, like, think about a country like Ecuador with probably, like, I think the population is about 50 million or 60 million and ours is about 1.4 billion. So, there's a lot more manpower that's available to do those higher-value products compared to competing nations.

But that said, at a 50% tariff, definitely, there is going to be a shift in the consumer preference on consumption or even the restaurant's buying decisions. So, on the short term, I think, like I said in the previous questions, this moat probably would save us on the short term. On the long term, definitely, there would be a reshaping of the supply-chain to the U.S. if it continues at this tariff lens.

Rahul Rathi

Right. Does volatility in electricity also play a role in quality of shrimps? So, I was just looking at Ecuador and I've seen that there are a lot of power outages. Does that have a role to play?

A. Nikhilesh

Yes. Generally, electricity, like you see, like, you really need to run your cold stores or even your feed mills or even the farm, you need people, need continuous electricity. So, if there is outages then people are running them on their diesel engines like we used to do back in the day. So definitely, it affects the cost of production and everything.

Rahul Rathi

All right. But what you're saying is that even with electricity outages, if they have the adequate power, they should be able to maintain quality, and electricity is an important part?

A. Nikhilesh

Yeah. It's perishable product, so it's an important part.

Rahul Rathi

And a certain temperature is important to quality that's why?

A. Nikhilesh

Yeah. It's all cold chain. It's all cold chain based. And even in the farm, like, you're using aerators to feed oxygen into the water for the shrimp. So, that's also an important part.

Rahul Rathi

Okay. And is there a time if you don't get it into cold storage then it starts deteriorating? So, is there a certain part of the process that is also a certain reason why India is 40% of exports to the U.S.?

A. Nikhilesh

I would say, yes. Definitely, there's no electricity available and there's no diesel gen-set that is on a backup that means your whole inventory will be written down. It won't have the power.

But that's an extreme case. I would say that I mean, I wouldn't go into that direction towards electricity. People would generally have diesel gen-set with enough fuel to power the plant if they're running that kind of operation.

Rahul Rathi

All right. In terms of quality consciousness, is Japan the most quality conscious?

A. Nikhilesh

Yes. Japan, for sure, is up there on the quality-conscious customers. I would say, generally, in Japan, Korea, are highly quality-conscious. But, again, you have these packs of customers everywhere. In the U.S., there are certain customers that are highly quality-conscious.

But overall, as a country, I would say Japan is because they eat food with low seasonings, no sauce, so they tend to just steam it and eat it. So, they have a higher quality standard for that reason.

Rahul Rathi

And are we exporting to Japan also?

A. Nikhilesh

Yes. We have a good plan to reach Japan as well.

Rahul Rathi

And is that increasing too?

A. Nikhilesh

Yeah. That's increasing. If you see our Asia sales, generally, we've been increasing QoQ & YoY.

Rahul Rathi

And is it more than the volume growth in Japan or is it similar?

A. Nikhilesh

I would generally club all these together. The reason being, we just want to keep our markets more confidential. So I would say, yes, Japan is part of Asia, and overall Asia is performing well.

C. Ramachandra Rao

Asia is one-to-one topic.

Rahul Rathi

Right. The other thing is in terms of operating cash flows and CapEx, so right now, it is on hold for shrimp feed and shrimp processing. But any guidance on what kind of CapEx would you be doing for fish feed and pet feeds over the next two years?

C. Ramachandra Rao

Yes. The fish feed, as we told you, the trials are going on. And if we find a suitable feed appropriate for Indian fish culture then we'll be able to set up the manufacturing facility that they will have a CapEx. It will not be very much. It will be a medium-level industry.

And as far as the Pet Care is concerned, we have purchased the land and we are in the process of pairing the DPR and we'd be able to finalize the numbers by next quarter. I think maybe we'll be able to give you the numbers the next quarter investors call.

Rahul Rathi

Sure. So, thank you. So, any CapEx guidance would be generally helpful in thinking?

C. Ramachandra Rao

Certainly. We'll share with you as and when we decide on CapEx.

Rahul Rathi

Thank you. Thank you very much.

K. Srinivasa Reddy

Okay.

Moderator

The next question comes from Vincent Andrew from Geojit Financial Services Limited. Please go ahead.

Vincent Andrew

Hi. Good evening. Thanks for the opportunity. So, most of the questions have been answered already. So, I have two questions. So, can you give the data of export incentive that you accounted for this quarter?

And the second question is, concerning the tariff situation, since you have already mentioned the 50% may not be able to pass on need to the customers. So, are we able to or is it possible for you to pass on some percentage on the supply side? And what is the average from this page for this quarter? And currently, what is it?

C. Ramachandra Rao

Yeah. Just, incentive, PLI, you want some?

Vincent Andrew

Sir, roster?

A. Nikhilesh

The roster funds.

C. Ramachandra Rao

I think we don't have any long-term listing now as of now. Mr. Nikhilesh?

A. Nikhilesh

Yes, sir. So, I'll answer the second part of the question. On the market as such, so currently, we're able to pass on the increase in duty. So, that's been good. Some good customers who continue to pay product, especially because they want product on the shelves, so the Christmas, New Year period. So, that's one thing.

And, again, to add to the same thing that I was telling everybody else that we're looking actively. We're working very diligently to expand into other markets. On the raw material price, we see that as soon as the tariffs were announced, there is some softening in the raw material price. So, there is some uptake by the farmer, some kind of softening. But again, that was temporary and RM prices again started normalizing.

So, we need to look at this at the long term. So, I would say that everybody can agree that 50% is a very big number. I don't think this is just on some kind of calculation, but it's some kind of duty levied on India to come to negotiate with the U.S. Government. So, we need to really see where it stands in the long term. But on the short term, there is some softening on the raw materials, some customers supporting the tariff increase.

So, there are all signs of support, but 50% is too much for the supply-chain to take in. Everyone combined together can't put in 50% margin.

Vincent Andrew

Yeah. Thanks for that. Is it possible for you to give the number, already raw material price?

A. Nikhilesh

If you can send an email to us, maybe we can discuss that more in detail over there because then we're talking about, like, 20 different sizes and pricing, variance, etc.

Vincent Andrew

Okay. And roster?

D.V.S. Satyanarayana

So, what was the question on roster?

Vincent Andrew

How much roster amount of incentive received for the account debts this quarter?

C. Ramachandra Rao

Can you please drop an email so that we will check and confirm?

Vincent Andrew

Sure. Thanks.

Moderator

Thank you. That would be the last question for the day. Ladies and gentlemen, on behalf of Avanti Feeds Limited, 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 good day.

C. Ramachandra Rao

Thank you.

Moderator

Thank you.