

November 19, 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 and half year ended September 30, 2025.

Further to our letter dated November 11, 2025, November 14, 2025, and November 15, 2025, we enclose herewith the transcript of post earnings Audio Conference Call for Investors/Analysts held on November 15, 2025 in connection with Unaudited Financial Results (Standalone and Consolidated) of the Company for the quarter and half year ended September 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 Q2 FY26 Results Conference Call

Event Date / Time: 15/11/2025, 16:00 Hrs.

Event Duration: 53 mins 04 secs

CORPORATE PARTICIPANTS:

Mr. C. Ramachandra Rao

Joint Managing Director of Avanti Feeds Limited

Mr. A. Venkata Sanjeev

Executive Director of Avanti Feeds Limited

Mr. A. Nikhilesh

Director of Avanti Feeds Limited and Executive Director of Avanti Frozen Foods Private Limited

Mrs. Santhi Latha

GM (Finance & Accounts), Avanti Feeds Limited

Mr. D. V. S. Satyanarayana

CFO, Avanti Frozen Foods Private Limited

Mr. K. S. Reddy

CFO, Avanti Pet Care Private Limited

Q&A PARTICIPANTS LIST:

- | | | |
|---|-----------------------|---------------------------|
| 1 | Akhilesh Rawat | : Ridhanta Vision Pvt Ltd |
| 2 | Ronak Shah | : Equirus Securities |
| 3 | Kamal Sharma | : Individual Investor |

Moderator

Good afternoon, ladies and gentlemen. I'm Akash, moderator for the conference call. Welcome to Avanti Feeds Limited Q2 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 of Avanti Feeds Limited and Executive Director of Avanti Frozen Foods Private Limited; Mrs. Santhi Latha, GM, Finance and Accounts, Avanti Feeds Limited; Mr. D. V. S. Satyanarayana, CFO, Avanti Frozen Foods Private Limited and 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 an operator by pressing * then 0 on your touch-tone telephone. Please note, this conference is 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

Good evening, ladies and gentlemen. I'm pleased to extend a warm welcome to all of you for this Investors Conference Call to review the unaudited financial results for Q2 FY26 and for the period ended September 30, 2025. Mr. A Venkata Sanjeev, Executive Director, Avanti Feeds Limited, is joining from the factory, and Mr. Nikhilesh, Executive Director of Avanti Frozen Foods Private Limited, will be joining from the factory. Along with me are Mrs. Santhi Latha, GM, Finance and Accounts of Avanti Feeds Limited; Mr. D. V. S. Satyanarayana, CFO of Avanti Frozen Foods Private Limited and Mr. K. Srinivas Reddy, CFO of Avanti Pet Care Private Limited.

To begin with, Mrs. Santhi Latha will present highlights of the financial results for the quarter ended September 30, 2025 for Shrimp Feeds Division and also consolidated financial statements of the company for the same period. Thereafter, Mr. D. V. S. Satyanarayana will present the financial highlights of Shrimp Processing and Export Division. Thereafter, Mr. K. Srinivas Reddy will present the status of pet care project. After presentation by all of them, we will take up question-and-answer session.

Now, I hand over to Mrs. Santhi Latha to give her presentation of Avanti Feeds' performance.

Santhi Latha

Thank you, sir. Good evening. Now, I will take you through the consolidated and standalone financial performance highlights for the quarter ended September 30, 2025. The comparative performance of Q2 FY26 with that of Q1 FY26 and Q2 FY25, along with the comparative performance for six months ended September 30, 2025 with that of September 30, 2024 has been given in the presentation already circulated.

First, we will review the consolidated financial results for Q2 FY26.

- The gross income in Q2 FY26 is INR 1,659 crores as compared to INR 1,657 crores in the previous quarter of Q1 FY26, an increase of INR 2 crores by about 0.12%.
- Compared to Q2 FY25 gross income of INR 1,397 crores, there is an increase of INR 262 crores by 18.75%.

- The PBT is INR 227 crores in Q2 FY26 as compared to INR 249 crores in Q1 FY26, a decrease of INR 22 crores by 8.83% and compared to Q2 FY25 PBT of INR 162 crores, there is an increase of INR 65 crores by about 40.12%.

Comparison of performance for six months ended September 30, 2025 with that of six months ended September 30, 2024.

- Gross income during six months ended September 30, 2025 is INR 3,316 crores as compared to INR 2,932 crores in six months ended September 2024, an increase of INR 384 crores by about 13.1%.
- The PBT for the six months period FY26 is INR 476 crores as compared to INR 342 crores in six months period of FY25, an increase of INR 134 crores by 39.18%.
- The consolidated results indicate the net impact of several factors, such as an increase or decrease in income expenditure and exceptional items relating to the feed, frozen and pet care division, which have been discussed in the following divisional performance of these units individually.

The standalone financial results of the Feed Division Q2 FY26 results.

- The gross income of Q2 FY26 is INR 1,200 crores as compared to INR 1,279 crores in the previous quarter of Q1 FY26. A decrease of INR 79 crores is due to a decrease in the quantity of feed sold by 10,920 MT and also that being the main season, the Q1, the sales will be more.
- The gross income in Q2 FY26 increased to INR 1,200 crores from INR 1,113 crores in the corresponding quarter of Q2 FY25, an increase of INR 87 crores due to an increase in sales quantity by 19,747 MT.
- The PBT for Q2 FY26 is INR 180 crores as compared to INR 224 crores in Q1, a decrease of INR 42 crores by 19.64%.
- When compared to Q2 FY25, PBT of INR 145 crores, there is an increase of INR 35 crores by about 24.14% due to increase in quantity sold, decrease in raw material cost and better overhead absorption.
- The feed sales decreased to 154,644 MT in Q2 FY26 as compared to 165,564 MT in Q1 FY26 and increased from 134,897 MT in Q2 FY25.

Comparison of performance for six months ended September 30, 2025 with that of six months ended September 30, 2024.

- Gross income in six months ended FY26 is INR 2,479 crores as compared to INR 2,410 crores in six months FY25, an increase of INR 69 crores by 2.86%.
- The PBT is INR 404 crores in six months FY26 as compared to INR 298 crores in six months FY25, an increase of INR 106 crores by about 35.57%.
- The feed sales increased to 320,208 MT in six months FY26 as compared to INR 293,488 MT in six months FY25.

- The major raw materials in the feed are fish meal, soya bean meal and wheat flour. The noticeable development in this quarter is the increasing trend of two major raw materials, that is, fish meal and soya bean meal, resulting in profitability when compared with previous quarter.
- The prices of these raw materials keep fluctuating since their production is based on agriculture and fish catches from the ocean. The price of fish meal increased to INR 97 in Q2 FY26 from INR 93 in Q1 FY26 and decreased from 105 rupees in Q2 FY25. In case of soya bean meal, their prices increased to INR 42 per kg in Q2 FY26 from INR 38 in Q1 FY26 and decreased from INR 49 in Q2 FY25. However, the wheat flour price increased to INR 33 per kg in Q2 FY26 from INR 31 in Q1 FY26 and INR 32 in Q2 FY25.
- The present purchase price of fish meal is INR 125 per kg. Soya bean meal, the high-grade soya bean meal, which we procure, is around INR 47 per kg, and wheat flour is between INR 32.5 per kg to INR 33 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 seed in terms of volume, which will have an impact on the overall performance of the company.
- As you noticed, the nine months of calendar year 2025 has been a good profitable period. However, the forecast for the next three months of this year is challenging due to factors like gradual increase of raw material prices and the threat of reciprocal tariffs by the US.
- To sum up, in general, FY25-26 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.

Update on fish feed

As reported in earlier con call, the company is in the process of importing fish feed from Thai Union Feed Mill Company Limited and is conducting trials under Indian conditions and also commercial viability. Once the product performance is proved and viable, the production in India will be taken up for domestic sales.

Shrimp feed production and feed consumption in FY25 and company plans for FY26.

Shrimp feed consumption

On the basis of the estimated shrimp production of about 7 lakh to 8 lakh metric tons in calendar year 2025, the feed consumption is estimated to be about 12 lakh to 13 lakh MT. The company's feed sales during the six months FY26 is 320,208 MT against 293,487 MT in six months FY25. It is estimated that the feed sales during FY26 would be around 575,000 metric tons.

Shrimp processing and export

The export of frozen shrimps during FY2425 was to the tune of 741,529 MT, of \$5,177 million. The USA is the largest importer with 311,948 MT of frozen shrimp, followed by China, 136,164 MT; the European Union, 99,310 MT; Southeast Asia, 58,003 MT; Japan, 38,917 MT; the Middle-East, 32,784 MT and other countries, 64,403 MT. Frozen shrimp continued to be the major item of export in terms

of quantity and value, accounting for a share of 43.6% in quantity and 69.46% of the total U.S. dollar earnings.

Frozen shrimp exports during FY 24-25 increased by 8.3% in value terms and 6.06% in U.S. dollar terms and 3.56% by volume. The company's shrimp exports during the FY25 were 14,149 MT as compared to 13,444 MT in FY24, an increase of 682 MT. It is estimated that the exports during FY26 would be around 17,000 MT.

Now, I hand over to Mr. D. V. S. Satyanarayana to present highlights of the Shrimp Processing and Export division.

D. V. S. Satyanarayana

Thank you, ma'am. Good evening, everyone. Now, I would like to take you through the financial highlights of the Shrimp Processing and Export division.

Shrimp Processing division Q2 FY26 results

- The gross income for Q2 FY26 is INR 462 crores as compared to INR 378 crores in Q1 FY26, an increase by INR 84 crores, which is about 22% growth, mainly due to an increase in sales quantity by about 639 metric tons, which represents 15% growth.
- The gross income in Q2 FY26 increased to INR 462 crores from INR 284 crores during Q2 FY25, an increase of INR 178 crores, representing 62% YoY growth. The sales volume during Q2 FY26 increased to 4,862 metric tons from 3,423 metric tons in Q2 FY25, an increase of 1,439 metric tons. Higher sales in Q2 FY26 were driven by majorly volume growth, an increase in average selling price realization and favourable foreign exchange rates.
- The profit before tax, before exceptional items for Q2 FY26 stood at INR 53 crores from INR 25 crores in Q1 FY26 due to higher sales volume, an increase in average sales price realization and there was a marginal decrease in ocean freight rates as well.
- The profit before tax in Q2 FY26 was INR 53 crores, an increase from INR 23 crores in the corresponding quarter, that is Q2 FY25, primarily due to higher volumes, better sale price realization, favourable foreign exchange rates and also there was a decrease in ocean freight rates.

Comparison of performance for six months ended September 30, 2025 with six months ended September 30, 2024

- The gross income for six months during FY26 was INR 841 crores as compared to INR 527 crores in the corresponding six months period of previous year, that is FY25. An increase of INR 314 crores in the gross income during six months of FY26 was mainly due to increase in sales quantity by about 2,880 metric tons, which represents 46% growth.
- The PBT in six months FY26 was INR 78 crores as compared to INR 49 crores in six months FY25. An increase in PBT by INR 29 crores is mainly on account of higher sales volumes, better sales price realization, favourable FX rates and also there was a decrease in ocean freight rates.

So with this, Avanti Frozen results are completed. Now I would like to hand over to Mr. K. Srinivas Reddy to update the status of Pet Food project. Thank you.

K. Srinivas Reddy

Thank you, Mr. D. V. S. Satyanarayana. Now, I would like to update the Pet Food project. As already informed, the company commenced trading in cat food from January 2025 our first product range under Avanti Pet Care brand that is Avant Furst in ocean fish flavour. In July 2025, the company expanded its cat food portfolio with addition of second flavour, tuna. In August 2025, the company launched dog food, which constitutes the largest share of the pet food industry at around 65%. Starting with chicken and vegetable flavour and more flavours are planned in the due course. The response from the pet owners from the both cat and dog food has been highly positive and market acceptance across all regions.

During Q2 FY26, the company recorded a sales INR 95.08 lakh, reflecting a strong growth from the INR 38.17 lakhs in Q1 FY26. The sales movement was driven by the continued increase in patronage to our cat food products as well as newly launched dog food segment. On the market expansion, company continued to strengthen its presence in Tier 2 cities and has initiated expansion into type 2 and type 3 market. E-commerce operations have now commenced. Our products available on the Supertel platform.

Additionally, the company is ready to start trading on Amazon, targeting go live before the end of November 2025. The company continues to focus on building a strong brand visibility for Avant Furst through the ongoing digital marketing campaigns on Instagram and Facebook. The ID is Avant Furst, enhancing consumer awareness and brand engagement across our target audience. As informed in the previous Con call, the company has purchased the land and converted from agriculture to non-agriculture of approximately 30 acres near Hyderabad for setting up state-of-art manufacturing facility.

Presently, project technical works are being discussed with the Bluefalo team and land development works are in progress. Upon receiving the required technical inputs, the detailed project report will be prepared and obtain necessary government approvals to commence the construction. This is about our pet care project.

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

C. Ramachandra Rao

Thank you, Mr. K. S. Reddy. I am sure that the investors are all happy with the performance of all three units, fish feed, frozen products and also pet care during this financial year so far. And with that, I would like to just throw some light on the recent developments in this sector so that it will be updated on the future performance of the company.

As you know, in spite of the recent challenges, including a major setback caused by U.S. tariffs, the aquaculture industry continues to demonstrate strong and sustainable growth. This stability is supported by several key factors.

The first and foremost is the market diversification. Producers are actively expanding into new geographies and reducing dependence on a single market, which helps stabilize demand and mitigate external risks, dependence on one market.

The second one is the consistent global demand for shrimps. Shrimp remains a high demand protein worldwide, supported by steady consumption trends in both established and emerging markets.

The third one is about value-added products and sustainability initiatives. The ongoing shift towards value-added products and sustainable farming practices enhances the competitiveness, improves the margins and strengthens long-term industry viability.

As all of you know, our company, Avanti Feeds has been focusing more on the value-added products, so that we would be able to take advantage of the emerging markets, favouring value-added products where the margins are high.

The fourth trend, of course, last but not least, encouragement for the domestic market by the Government of India. Recently, the Union Cabinet on November 12, 2025, announced the long pending export promotion machine for five years with a total outlay of about INR 25,000 crores to help exporters deal with U.S. reciprocal tariffs and increase their competitiveness in the turbulent global market.

Under the EPM, priority support will be extended to sectors impacted by the reciprocal tariff escalations, such as textile, leather, gems and jewellery, engineering goods and marine products. The intervention will help sustain export orders, protect jobs and support diversification and also help promotion in the new geographies.

Further, Honourable Prime Minister Modi's government is promoting domestic shrimp consumption to support farmers and create a stable market driven by rising export tariffs from countries like the U.S. Key initiatives include government committee and the National Fisheries Development Board, NFDB, to develop a robust local market, suggestion to integrate shrimp into government food supply chains like military and also proposal for promoting shrimp as a healthy lean protein through nationwide initiatives.

The reciprocal tariff situation is expected to stabilise with due course as the United States and India are making tangible progress in their long awaited trade negotiations, particularly around tariff structures and oil imports. We have recently seen the U.S. proposing to reduce some of the food items, dairy products the tariff almost to zero. So, we expect that in the course of time, the aquaculture sector also will be taken care of with respect to tariff balancing.

And this positive momentum provides optimism that current tariff challenges will ease over time, supporting smaller trade flows and greater market stability. We expect demand for shrimp to continue growing and remain sustainable across both global and domestic markets. Consumption trends remain strong, supported by shrimp's position as a versatile, affordable and widely accepted protein. Additionally, rising health awareness, expansion of retail and food services channels and increasing preferences for value-added seafood products are further driving demand. These factors collectively reinforce a positive outlook for sustained market growth in the near- and long-term sustainability of the sector.

With this, my remarks, I would like now to take the question-and-answer session. And I request the investors to ask their questions.

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 the 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 questions, please press * and 1 on your telephone keypad.

So, the first question comes from Mr. Akhilesh Rawat from Ridhanta Vision Private Limited. Please go ahead, sir.

Akhilesh Rawat

Hello. Am I audible?

C. Ramachandra Rao

Yes.

Akhilesh Rawat

Yeah. So first of all, I'd like to congratulate management for such a great result in this turbulent environment. And I have two sets of questions. So, my first question is, if the 50% reciprocal U.S. tariff continues through Q4, what is your quantified expected impact on FY26 processing volume and EBITDA versus as you mentioned that 17,000 MTs and guidance for shrimp processing. So, what impact will you see in terms of margin and volume?

C. Ramachandra Rao

I think, Nikhilesh, will you take up this question, please?

A. Nikhilesh

Yes sir. So, hi. Thank you for the question. You're asking for the full year, right? Full year 2026, what impact?

Akhilesh Rawat

Yes.

A. Nikhilesh

Okay. So as of now, we're in Q3. So, the first two quarters continued to be good. The performance has been good. And for the rest of the year, we're actively working on diversifying into other markets.

However, if things don't normalize on the duty front from January, then we might relook into the outlook for the year. Right now, we continue to have it stable, hoping that everything falls into place.

Akhilesh Rawat

Okay. So, can you give a number or, like, kind of volume reduction if things don't stay the same, like, the tariff charge?

A. Nikhilesh

It's difficult. It's very speculative, and, like, it's everyone's own opinion. Right? So, what we've given is 17,000 is the current forecast. So, that's what we'll stick with.

Akhilesh Rawat

Okay. So my second question is, as you mentioned in Q2 FY26 presentation, that EBIT improvement was supported by higher other income. So, could you break down the key component of this other income? And importantly, like, how much of it is recurring or sustainable going forward?

C. Ramachandra Rao

Yes. The breakup between what is the operational income and what is the other income?

Santhi Latha

No. He's asking the breakup of other income. Is that what you're asking?

Akhilesh Rawat

Yeah. Like, where is that income coming from? Like, what are the sources?

C. Ramachandra Rao

So, the major income is on the two fronts. One is in respect of feeds. We have deposits, on that we are getting income from mutual funds, FDs and various portfolios that we are investing the reserves, which is giving the income that is treated as the other income.

And as far as Frozen is concerned, it is the foreign exchange gain that by booking the forward contracts, we have been able to make significant income out of the fluctuation in foreign exchange. That is the other income that is shown in the Frozen division.

Akhilesh Rawat

Okay. Thank you. That's it from my side. All the best for the upcoming quarters.

Moderator

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

Ronak Shah

Yes, sir. Thanks for the opportunity. Sir, my first question is regarding just a clarification that in the earlier comment, when sir was highlighting that FY25 overall feed consumption can be in the range of 12 lakh to 13 lakh odd metric tons. And we are guiding FY26 full Avanti's feed sales into the range of 5.75 lakh metric tons. Are we expecting a decline in the CY26, considering over 51% market share?

C. Ramachandra Rao

No, it's not like that. See, what happens is that whatever the consumption has been there during Q1, Q2, Q3, Q4 gradually reduces because of the seasonality. So, what we estimate is that it will not be on

the same level as in Q1 and Q2. So, that is the reason why we are estimating it 5.75, which is significantly better than last year's consumption and also our sales.

As far as the market share is concerned, definitely we are above 50%, it is ranging from 51% to 53%, that is the range which we are now operating. And I think we will continue to hold that position at 52%, 53% in future also.

Ronak Shah

Yes, sir. So, my second question is regarding how the market is responding because the upcoming cultivation season, which will start from the January end or February. So, what are your senses based on the on-ground feedback? How are the farmers taking all this tariff situation?

C. Ramachandra Rao

Yeah. See, it's a good question because generally the feeling is that the farmers are very much worried about this tariff, but the situation is not that. The farmers are very confident because they have been able to get their farm-grade prices comfortably and they are making money and more so, the tariff has not really, over a period of time, slowly the situation is getting adjusted to the market corrections what we can say, see if not the U.S. market, why not other markets.

So, as we explained in our note earlier that we are diversifying into other markets as well as we are focusing more on value-added products and also we are going for the domestic markets. The government is giving support to that. So with all that, the demand for shrimps continues to be growing sustainably. It is not that suddenly they'll be dropped. So, that is the reason why we do not see.

We have not seen, rather I would say that in the last maybe six months or so, more than that, where since the tariff has come into force, there has not been a big difference in attitude of the farmers, though there was a knee-jerk reaction on the farmers pretending for a deep fall in the prices and all. But that is no longer there. They are very confident of that and the prices are also good. And we don't see, there has not been any fall as far as the aquaculture is concerned, the farmers are pretty confident of continuing the situation for the next year also, FY26 also.

Ronak Shah

Got it, sir. Sir, my next question is regarding the diversification strategy. So, when we are seeing that we are trying to diversify, but when I see our presentation, our saliency for North America was around 64% in book FY25, which is largely similar or rather increased to 66.9% in book FY26. So, can you elaborate on the strategy, how are you seeing that part?

A. Nikhilesh

I'll make that very easy. North America as a country, as we just diversify that way, but the US in general, our total share volume is coming down.

Ronak Shah

Okay. Got it. And sir, last question regarding the processing division. So, with the Q2 very solid numbers in terms of the 41% plus kind of the growth, but I assume there is some pre shipment considering the

tariff situation. Now, when we are seeing around 17,000-odd metric tons target for FY26, are we assuming that in this case that the tariff is likely to go out in the fourth quarter of FY26?

A. Nikhilesh

So there was some front loading, but like, the tariff is already out, like, starting from April, there were multiple revisions. The last one coming probably September. So, it's been some time, but we continue to ship across our customers all across the world. And the 17,000, we just made, like, a scenario on where we felt we would end.

But frankly, speaking right now, the momentum continues to be strong as it was in the earlier two quarters.

Ronak Shah

Okay. And sir, last question regarding the recent policy which you are highlighting. So, can you quantify in terms of quantum how it can positively impact the Avanti or the shrimp industry? That's the last question from me. Thank you.

C. Ramachandra Rao

Yeah. This has been announced very recently that they are yet to formulate the mechanism for how they would like to give this support, the INR 25,000 crores set apart in the budget for this expenditure. And we are expecting sometime in maybe the next couple of months, one or two months, we should be able to get, which will be, I think, coincide with the next season, next FY26 that will be helpful for us to avail the benefits whatever that is going to be announced by the government. Okay?

Moderator

Thank you, sir.

Ronak Shah

Yes. Thank you, sir.

Moderator

So, the next question comes from Mr. Kamal Sharma, an individual investor. Please go ahead, sir.

Kamal Sharma

Thank you very much, sir. And sir, congratulations on the amazing performance. I have a very quick question. We just heard from the Supreme Court of the U.S., I think they are also reviewing the petition and in case they find or declare that the tariffs were invalid or illegal, are you going to get any kind of refund in that case at all? I mean, if that is the final verdict from the US Supreme Court.

C. Ramachandra Rao

Nikhilesh, would you like to take this question?

A. Nikhilesh

Yeah. This is quite speculative, to be very frank. So, nobody really knows where this is going. In terms of refund, see, as Avanti, we've been able to pass on the tariff. So, whether getting this refund, I'm not sure. I don't think we'll actually get the refund. We have to give it back to the customer, I guess.

C. Ramachandra Rao

Yeah. I can add just that unless these whatever that illegal or whatever is a retrospective effect, it is whatever is done already very difficult to articulate that. As Nikhilesh said, it's very difficult. It's a remote possibility.

A. Nikhilesh

I'll just rephrase my answer. See, it's quite speculative and we need to see what happens because right now, there's not enough information on how it's going to go forward. Once it does, then the government, the U.S. Government itself will give directions first that we need to go with. So, we need to wait and watch. So, it's too early to speculate right now.

Kamal Sharma

Sure. Thank you.

Moderator

Thank you, sir. We have a follow-up question from Mr. Ronak Shah. Please go ahead, sir.

Ronak Shah

So, my question is regarding the CVD or the antidumping duty. So first, I want to know the update on what is the current prevailing rate based on the India and the relatively larger competitor?

And the second question is regarding how we are realigning our costs. So from the numbers, I can see that EBITDA per kg has improved significantly over the last four-odd quarters, which shows that we have passed on certain part of that to the end consumer. So, can you clarify on that part as well?

A. Nikhilesh

Okay. I'll take this question. So on the first point, I think this information is quite publicly available. What are the CVD rates of India versus the of other countries? So a simple Google search or ChatGPT can help out on how we figure and it'll give you the demarcation for ADD and CVD and the total, etc.

Ronak Shah

Sir, my question is regarding, is there any update? Because the government is likely to review the rate, so on that part.

A. Nikhilesh

Yeah. No update right now. There's only a preliminary assessment done, so the final review hasn't come out yet.

Ronak Shah

Okay. And from our end, how we are adjusted or passed on to the end consumer, can you highlight that?

A. Nikhilesh

So, to the end consumer, the duty itself, 50% is too high, so it's not possible for the supply chain to absorb so much percentage. So, essentially, we've been able to pass on the cost to the consumer till now. We are just waiting and reviewing how it affects the consumption.

Ronak Shah

So sir, just to build up on that, can you highlight how the order process goes on? So, for example, for the third quarter on to fourth quarter, whether the US-based customer has placed order? Or if yes, then how the pricing has set up? So, the penal and the whole tariff part has been embedded into the order cost or how it works?

A. Nikhilesh

Yeah. That's essentially how we did it. So, whatever orders we had on our books, and, so we worked with our customers to add on the tariff rate. And whatever new orders that we've confirmed since the tariff was on the rates that the US government kind of levied. So, that's why we did not like, in general, everything that we priced was including the tariffs.

Ronak Shah

Okay. Understood.

Moderator

Ronak sir, sorry to interrupt you. Request you to join the queue again for more questions, sir.

Ronak Shah

Just the last question, if permit.

Moderator

Please go ahead, sir.

Ronak Shah

Yeah. Sir, last question is regarding our ventures into the fish and the pet feeder part. So, sir, in terms of quantitative terms, can you highlight? Because it's been a few quarters since we are evaluating the market. Have we got certain feedback on the market or the research reports which you are evaluating? What is the market? How large is the market? And how we can position ourselves?

C. Ramachandra Rao

Yeah. See, the first point is our fish feed because the fish feed is a bit challenging area because the fish feed prices keep fluctuating and there are different species and the feed also differs for each species. So, we'll have to keep trying and see the areas which type of fish is being real cultured. We have to give the feed according to that. So, a lot of efforts are being made by importing the feed from Thai Union and making trials here to find out which suits the Indian market that is number one.

Coming to the pet food, see the pet food is very challenging market and we have started, I would say that with a very good beginning because first we launched our cat food with the pace which has been accepted by the market right from day one. So, we have got a very good response. And as you know that these are the products that take time and there are very strong players, long-term players in this like Mars, which is Pedigree and Drools, these players are very strong. And it takes time for us to really build the market and because we are making all efforts that different types, so we could do about seven months to eight months of cat food. And then later on, we started with dog food and dog food has also very good response.

And there are several marketing channels that we are now trying to explore each and every one, not only the simple distributors, but e-commerce and the different types. All those things that we are working out on that. And so, we are very confident that though the initial expenditure is more and we will gradually increase the sales volume. And also by the time we start our manufacturing unit by end of FY27, so we should be able to fully have a substantial market to our company. And this is a time-taking process. I think initially, we'll have to do a lot of work for marketing, our products and withstanding the competition from the long-term players.

Ronak Shah

Thanks a lot for all the answers.

Moderator

Thank you, sir. Participants are kindly requested to restrict with two questions initially and get back to the queue for more questions.

We have another follow-up question from Mr. Akhilesh Rawat from Ridhanta Vision Private Limited. Please go ahead, sir.

Akhilesh Rawat

So, my question is like as we have seen that fish meal, SBM and wheat raw material prices are rising after quarter one. So, can you quantify the feed margin sensitivity, like for every 1 kg increase in key raw material prices? So, based on like current raw material level, should we expect like our FY26 feed EBIT margins to revert towards historical 10%, 12% or remain closer to H1 levels?

C. Ramachandra Rao

See, it's very difficult to tell for the next Q3 and Q4 because the prices of these raw materials are increasing very significantly for various reasons. See for example, fish meal is going up because Peru has very less catches this year and even Chile. So, when these countries, Chile and Peru, are the major countries supplying the fish meal, when their production reduces, automatically the global fish meal rate increases and the demand for Indian fish meal for export increases. So, the Indian fish meal manufacturers prefer to export because they get a better price. For example, the fish meal, locally 60%

protein is being sold at INR 125, INR 130 whereas they are able to get INR 175, INR 160, INR 175 rates they are able to get.

Moreover, they get some incentives also for exports. They are tempted to export than to supply to the domestic market. Chile has not yet announced its total quota available for the export. Once it comes, I think we are expecting that prices get stabilized. It will not be less than about INR 125, INR 130. That is the fish meal situation.

Coming to the soya, soya has two-phased impact. One is that this year because of the excess rains, the production has come down by about 10%. So, that is the one reason there is likely to be a slight shortage of soya seed production. At the same time, the government of India has announced increase in the minimum support price by about INR 3 per kg. So, these two factors have really influenced to increase the prices to go up.

And particularly the state like Maharashtra, they have made it a mandatory thing for all the soya processes to buy from the farmer only at the MSP and they are not allowed to buy less than MSP. So, that is the impact. So, we see that soya now for example, the best quality which we use is about INR 46,500 per metric ton, which was around INR 42,000, INR 43,000, has gone up to INR 46,500. Similarly, normal soya as well as high pro, all the prices have gone up and we'll have to see how or now the government will start procurement from now on. So, when there is procurement, definitely the market availability, open market availability of soya will be less.

So, when the government procures for their food security, then naturally the prices will go up. So, we can expect the next couple of months, the prices will keep on the high side and thereafter we'll have to see once the government exhausts this quota of purchase, the prices also may likely to stabilize and we'll have to wait for that from the maybe around February, March, that's what we are expecting. And similarly, the soya-dependent market products like soya lecithin will also go along with the price. And coming to the wheat flour, the wheat flour also is having the same situation because normally this crop comes in the month of February, March. So, we'll have to see.

But as of now, there is a lot of expectation of a high production of wheat this year. But very recently, in fact, a couple of days back, the government has in-principle permitted 1,000,000 tons of wheat products for export. So, till now it was banned. Wheat and wheat products are banned for export. But a couple of days back, the Government of India, the Agricultural Department, has permitted in principle 1,000,000 tonnes and the Director General of Foreign Trade to prescribe the procedure for export of these products.

So as we know, once we start the production exports, then the prices again will go up. So, we are now around INR 32,000 to INR 33,000 per metric ton. And we'll have to wait and see what is going to be the impact of these export permission given by the Government of India. So cumulatively, we see that these things will definitely increase the price of the raw material cost. But at the same time, the chances of increasing the feed price is not there, it's very remote. Generally, it's not possible to increase the price of the feed.

So, the margins are naturally likely to come down to maybe around it to be 9% and 10%. So, 10% is a good achievable profitability for this current year overall. Now, that till now we have been doing very well, but we'll have to see the next two quarters and see how the profitability will be depending upon the raw material prices.

Akhilesh Rawat

Thank you, sir. That was a very elaborate description. All the very best for the upcoming quarters.
Thank you, sir.

C. Ramachandra Rao

Thank you, sir.

Moderator

Thank you, sir. There are no further questions, sir.

Santhi Latha

Okay.

A. Nikhilesh

Thank you.

Moderator

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

Note:

1. This document has been edited to improve readability
2. Blanks in this transcript represent inaudible or incomprehensible words.