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Date: 06th June, 2025.

To
The General Manager,
Department of Corporate Services,
Bombay Stock Exchange Limited,
PhirozeJeejeebhoy Towers,
Dalal Street,
Mumbai- 400001.
Scrip Code : 540692

To
The General Manager,
Listing Department,
National Stock Exchange of India Limited
Exchange Plaza, Plot No C/1, G Block,
BandraKurla Complex,
Bandra (East), Mumbai - 400 051.
Scrip Symbol : APEX

Dear Sir/Madam,

**Sub: Transcript of Q4&FY25 Earnings Conference Call held on 03rd June, 2025-
Reg.**

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, kindly find enclosed a transcript of the Q4&FY25 Earnings Conference Call, which was held on 03rd June, 2025.

The aforementioned Earnings Conference Call, as per the transcript enclosed, incorporates mainly the highlights of Audited financial results of the 04th Quarter and year ended 31st March, 2025 and other related information which is already in public domain and/or made available/uploaded on the Company's website.

Please take the same on record.

For Apex Frozen Foods Limited

Karuturi Subrahmanya Chowdary
Managing Director
DIN: 03619259

Encl: a/a



“Apex Frozen Foods Limited
Q4 FY '25 Earnings Conference Call”

June 03, 2025



MANAGEMENT: **MR. CHOWDARY KARUTURI – MANAGING DIRECTOR
AND CHIEF FINANCIAL OFFICER – APEX FROZEN
FOODS LIMITED**
**MR. DURGA PRASAD – SENIOR MANAGER, ACCOUNTS
– APEX FROZEN FOODS LIMITED**

MODERATOR: **MR. HRITHIK HATTIANGADI – STELLAR IR**



Moderator: Ladies and gentlemen, good day, and welcome to the Apex Frozen Foods Limited Q4 and FY '25 Earnings Conference Call. As a reminder, all participant line 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 star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Hrithik Hattiangadi from Stellar IR. Thank you, and over to you, sir.

Hrithik Hattiangadi: Good morning, everyone, and thank you for joining us today. We have with us the senior management team of Apex Frozen Food Limited, Mr. Chowdary Karuturi, Managing Director and Chief Financial Officer; and Mr. Durga Prasad, Senior Manager, Accounts, who will represent Apex Frozen Foods Limited on the call. The management will be sharing the key operating and financial highlights for the quarter and full year ended 31st March 2025, followed by a question-and-answer session.

Please note this call may contain some of the forward-looking statements, which are completely based upon the company's beliefs, opinions and expectations as of today. These statements are not a guarantee of the company's future performance and involve unforeseen risks and uncertainties. The company also undertakes no obligation to update any forward-looking statements to reflect development that occurs after a statement is made.

I now hand over the conference to Mr. Chowdary Karuturi. Thank you, and over to you, sir.

Chowdary Karuturi: Good morning, everyone, and thank you for joining us on this investor call for Q4 and FY '25. We have uploaded the Investor Presentation on the website of the Stock Exchanges, and we do hope that you had a chance to go through it. Some of the key trends that we probably discussed on the last quarter's conference call have largely played out in Q4 FY '25.

That is like the inventory liquidation in overseas markets leading up to an uptick in the overall demand, mainly in the U.S.A. Consequently, the global shrimp prices remained firm. However, while favorable global pricing scenario typically encourages Indian shrimp farmers to increase cultivation, thereby resulting in required supply and easing of farmgate prices, the global trade uncertainties are to be watched out for.

Coming to the company's performance. In the Q4 of FY '25, we witnessed an improvement in revenue and profitability when compared with Q4 of FY '24. The sequential quarter-on-quarter decline in revenue led by lower shrimp sales is in line with the seasonality factor in general. The net revenue grew around 22% year-on-year to INR197 crores in Q4 of FY '25, mainly led by higher realizations amidst the marginal growth of 2% year-on-year in volumes sold.

In Q4 FY '25, our average realization increased to INR794 per kilo, reflecting a year-over-year growth of 20% and a sequential quarter-on-quarter growth of 6%. Gross profit grew 24% year-on-year to INR59 crores in Q4 FY '25 with margin at approximately 30%. On a sequential basis, gross profit margin improved 500 bps quarter-on-quarter from 25% in Q3 FY '25, as farmgate



prices, which had elevated in Q3 FY '25 started correcting following the global trade uncertainties.

Our average purchase cost of raw materials was INR358 per kilo in Q4 of FY '25, representing a 4% decrease quarter-on-quarter. EBITDA grew 174% year-on-year and 23% quarter-on-quarter to INR78 million. Profit after tax positive at INR 20 million in Q4 FY '25 as against a loss of INR4 million in Q4 FY '24 and a loss of INR2 million in Q3 FY '25. Shrimp sales grew 2% year-on-year to 2,349 metric tons in Q4 FY '25 as against 2,302 metric tons in Q4 FY '24. For FY '25, it stood at 10,534 metric tons as against 10,949 metric tons in FY '24.

The European Union market, while excluding the United Kingdom, remains strong throughout the period. The company achieved a year-on-year sales growth of 70% in Q4 FY '25 and 41% in the full fiscal year of FY '25. Consequently, the EU market's contribution to the overall sales mix increased to 36% in Q4 FY '25, which is up from 22% in Q4 of FY '24 and to 39% in FY '25 compared to 26% in FY '24.

This growth has contributed to a more geographically diverse sales portfolio which gives us the confidence in the EU market's long-term potential. Amid improving global demand, shrimp prices have shown a consistent upward trend. Our average realization in Q4 FY '25 has grown 20% year-on-year and 6% quarter-on-quarter to INR794 per kilo and for the full year of FY '25, it grew by 5% year-on-year to INR729 per kilo from INR695 per kilo in FY '24.

Going forward, global trade uncertainties remain following the U.S. reciprocal tariffs announcement, we do remain cautiously optimistic for the near term. Some of the encouraging indicators include ongoing inventory liquidation, rising demand and a decline in major ocean freight costs. Furthermore, the current favorable pricing environment for the Indian shrimp farmers strengthens the potential for increased shrimp cultivation in India over the near to medium term.

With that, we can now open the floor for question-and-answer session. Thank you very much.

- Moderator:** The first question is from the line of Raman KV from Sequent Investments.
- Raman KV:** Sir, I just want to understand what is the current capacity utilization in terms of shrimp production?
- Chowdary Karuturi:** The current capacity utilization for the Q4 was 29%. For the full year, it was 30% actually. Last year, as you know, in the earlier quarters also, there was a decline in the overall utilization of the capacity. For the full year, it was standing at 30%, only.
- Raman KV:** And sir, can you also guide on the inventory levels, how is it panning out in Q1? And also with respect to the global demand because in the Q1 and what do you expect going forward in FY '26?
- Chowdary Karuturi:** See, overall, as stated earlier in our opening remarks, we definitely -- our customers are also, they have been seeing good sales on there end thereby creating a demand for the products from our side, which also is making way for us to use even our inventories also, our company's



inventories. And within the present scenario, we also need to acknowledge about the uncertainties which are prevailing, which also has been stated in our opening remarks.

As you know that it's kind of a global trade war-like situation because of these reciprocal tariffs which have been levied by U.S.A., which are currently at 10%, which are there affecting in the Q1 from the Q1 of FY '26, which you asked specifically. Of course, however, those tariffs are being taken care by the customers. To a large extent, they are being taken care overall. So because it is obviously it is a U.S.-specific scenario.

But as you know, we cannot exactly predict whether it is our major market like U.S.A., how they are going to decide, in which direction. We are very positive. We remain optimistic on the part of the trade talks, but end of the day, we should see how the results will come out because we do notice every day, every week, we understand that the talks between India and U.S. are very positive, and they are looking forward for an early agreement, but at the same time, we can't be on a high optimism as such because we also have to be a little bit cautious. That's why we specifically mentioned that we are cautiously optimistic because we have certain uncertainties still loom around. So we are waiting for those results. But definitely, as there are more concrete steps are being taken by both India and U.S.A., especially I think, that will be more positive.

So we are looking forward for any such final decisions, which are done in such a trade deal between India and U.S.A. That is regarding U.S.A. But in the case of other countries, we have been able to diversify very well into the other markets. And one of the important point is with regard to EU, so our European sales have been picking up from the beginning of last year, and we continue to bet high on them currently.

So we'll continue to. But still -- of course, we will still have U.S.A. as our major market, but in one way, it helps us to, in a good -- well planned diversification. So that is definitely going to help us in the case with regard to our business for the current fiscal of FY '26.

Raman KV:

Okay, sir. Sir, my final question is with respect to the earlier guidance of 12,000 metric tons in FY '26. Is that guidance still intact? And also with respect to the Ready-to-Eat division, what is the status of the approval?

Chowdary Karuturi:

Good question. First, I'll answer on the approval part, the new capacity, most of the facilities as in the past 2 months, we have seen, at least, of course, the last approval was on April 1. They are listing all the new facilities one after the other. We expect ours also to be done very soon unlike the past when it was very uncertain.

Now in that regard, certainties have improved as they started approving or actually listing out all the facilities one after the other, since March and April month, they have started approving all the facilities in India. And those facilities which were pending for approval since 2020 onwards, they all have been one after the other are being approved, and we are just awaiting anytime soon. So the moment it is done, it paves way for us to grow our Ready-to-Eat business also in our next, the second largest market of the European Union, that is to answer your question on that.



And with regard to the volume for FY '26, as we definitely, as the certainties increase and improve, definitely, we will be looking forward to do that volume if certainties are increased. So we are awaiting because as you know, of these uncertainties which are there. We expect that such uncertainties should be cleared off by the end of Q1. We expect that, especially with regard to the trade deal announcements and all that.

Hopefully, by the end of Q1 or early Q2, it should be cleared. That will definitely look we can look forward for because we still are dependent on the U.S. market, which will be a major market. So when we talk about the volume numbers, the majority of the volume will still continue to be shipped to the U.S. market. So we will have to just wait for that at least till the end of Q1, once the trade deal or once these uncertainties are removed from the market scope definitely, we'll be able to be more concrete on that.

Moderator: The next question is from the line of Siddharth from ithought PMS.

Siddharth: So my question is like you said that EU is slowly approving facilities. Out of your current capacity of almost 34,200 metric ton, how much is -- like is unapproved by the EU?

Chowdary Karuturi: 25,000 metric tons.

Siddharth: So if this approval is received, you will be able to sell almost 25,000 metric tons in EU?

Chowdary Karuturi: Well, if the approval is there, first thing, we will be able to open up our ready-to-eat production lines, which we are currently missing for our business for the EU market. Yes. So those, that production ready-to-eat production lines, especially are to the tune of around 10,000 metric tons on an annual basis.

Siddharth: So you will be able to sell, including the ready-to-eat, you will be able to literally sell if there is demand or almost...

Chowdary Karuturi: Yes. Obviously, which -- correct. Obviously, when the market access is not there because of some regulatory issues which have been persisting for quite a number of years. And now as these approvals are being provided facility after facility, and we are just any, maybe today or tomorrow, we don't know, we're just waiting.

Now it's more certain. They have been allowing all the Indian facilities, which were blocked for almost 4 years in a row. So that is good. So that's a very positive sign. So definitely, we'll have the new capacity, including the 10,000 metric tons of ready-to-eat will be made available, correct.

Siddharth: So like a part of that question is like, in your opinion, are there a lot of capacities in India, which will be like yours, wherein they'll get approval from EU in the near future?

Chowdary Karuturi: Well, there have already been capacities which have been approved, in the past...

Siddharth: Are a lot of capacities awaiting approval?



- Chowdary Karuturi:** As I said, as we stated, they have been waiting and some of them have been given in the past 2 months, March, April. Some are yet to be given. But it is not just about getting approval from the country. It is also the requirements of the market also to be met by the respective facilities or entities, which are involved in the processing and export of these products. So it's just not about having an approval. You can have an approval and you can also lose it if you do not kind of follow the required rate.
- Siddharth:** Yes. So sir, like let's say we get approval from the European Union...
- Chowdary Karuturi:** Yes.
- Siddharth:** Then will we be able to take away market share in the EU from countries like Ecuador and Vietnam in your opinion?
- Chowdary Karuturi:** We are confident that we will be able to target some extent of market share from Vietnam. Ecuador, we are not competing, we are not competing with Ecuador on the ready-to-eat products in EU. I mean whatever little competition India gives, it's not a major competition in the EU market. But whatever little competition India gives, it is mainly against Vietnam, other Asian countries, Vietnam and Indonesia, like you said.
- Siddharth:** Like it's the products which are sold barring the ready-to-eat in, let's say, EU. Are they value-added products or like commodity-like products?
- Chowdary Karuturi:** They are value-added products, mostly whatever in Vietnam and Indonesia does is value-added. Whatever Ecuador does is commodity. We are in between.
- Siddharth:** So I just want to clarify, the quantity, which Ecuador sells in EU is largely commodity-like products, sir.
- Chowdary Karuturi:** It's a raw material, which is just frozen, which is basically, there's no processing done yes, it is just the raw material which is frozen. So you get the point? It is just Head-On Shell-On basic product where it doesn't require much of processing to be done. In fact, more than 60% to 70% of Ecuadorian exports to the world, mainly to China number one and followed by European Union, is mostly head-on, shell-on, which is like you asked, it's a commodity shrimp, which doesn't require any significant processing and it is just freezing the raw material and shipping them out.
- Siddharth:** Understand. So like our competition is going to be Vietnam not Ecuador in EU?
- Chowdary Karuturi:** In the EU, it will be mostly Vietnam and Indonesia, especially, correct, which we are actually, we are even competing even now, and we will continue to compete even in the future. Yes.
- Siddharth:** Okay. Understood. Understood. I just have one more question. Like in FY '25, FX made almost INR50 crores cash flow from operation, right. And you just had INR5 crores of fixed asset investment. Okay, do you guys have any like a plan on what you are going to do with the cash? Are there any investments that you are planning the next year?



Chowdary Karuturi: Not in the next year. Right now, there are no plans for additional investment, except for some power backup systems and all that more to look on efficiency factors to improvise the efficiency and the cost with regard to reducing energy costs or basically, mainly any investment which is going to be done in the next 1 year is mainly to improvise the efficiencies in the existing capacities, mainly for now so that we can utilize them better.

As we are looking forward to utilizing the capacities better, we obviously want to do it in a more efficient manner so that we can bring down the overall costs. That is the plan for the current year.

Moderator: The next question is from the line of Purushottam from Wise Old Bird Limited.

Purushottam: Sir, I would like to know, we have this U.K. FTA that is bilateral agreement has been done. So, but we do not have anything for U.K. as of now but we -- our main concentration is on EU. How do we plan to have geographical expansion?

So whether this U.K. FTA agreement will benefit us or because if we see the major export markets for us is U.S. and recently in the last couple of years, we have increased to EU. and rest, nothing much. So we do not have anything from China and Japan, average some time ago that we are also concentrating on these markets whether we are targeting the U.K. markets.

Chowdary Karuturi: Well, actually, U.K. is also there, but in the current year, it was mixed in the others category. Last year, FY '24, we did more to U.K., but this year, it has been reduced in FY '25. Last year, it was almost 7.5% of the total in the quarter. But on a year-wise, if we see U.K. last year, we did 3.4% and for the full year, this year, FY '25, it is 5.1% for the full year. FY '25, our U.K. sales is 5.1%.

So it is more than China and other countries. And yes, well, we currently believe once it is effective, the FTA is effective. We believe it will give us advantages for sure because the customers will be more positive in doing more volumes with us.

So we can definitely take it up to at least minimum 10% in the first year. I mean given whenever the FTA gets fully implemented. The announcements are done, we are, of course, it will be the procedural steps which are yet to be taken. But our customers are positive, but they are also, as I stated, are awaiting for the implementation.

Purushottam: Okay, sir. Another question is on the ready-to-eat product, right? So you have explained that we might get any time the approval for that. And if we get an approval, whether we will be able to utilize the complete 10,000 in the span of 1 year or 2 years. When do we expect that?

Chowdary Karuturi: Generally, the stated capacity is 80% of them is very optimum. So even -- let us say, even in a 10,000 tons out of 8,000 metric tons, for example, if within the EU -- and we're not just going to entirely depend only on the EU market alone, but of course, we'll also be pushing our retail sales overall to the U.S. market which is the major user. The retail segment is a major user for the ready-to-eat items, where definitely, that will be quite helpful.



I mean for the EU-wise, definitely, once the approval is there, but we will also be pushing our sales to the U.S. retail and thereby want to utilize the ready-to-eat capacity even more than what we have been doing in the past 2 years that we are definitely focusing on that. So if the EU approval comes, it will be an added boost for the overall capacity utilization.

Purushottam: Okay, sir. So any rough estimate of capacity utilization or Ready-to-Eat? What do you have in your mind for FY '27 or -- FY '26 and '27, Ready-to-Eat and the normal all other -- rest others?

Chowdary Karuturi: As stated earlier and as you know, the uncertainty is still loom around. We are positive, but at the same time, we are just watching because of these various uncertainties which are there, and we will continue to depend majority on the U.S.A. and trade actions, tariffs, all these will definitely play a role in how the business is conducted overall.

But definitely, with certain positivities at the farmgate level, farmers looking forward for stocking and more supply being made available. And to support that demand from the overseas markets remains consistent as India has definitely proved its position with regard to delivery and also consistency in the product supply. It is definitely a positivity, which is there for India in general for the next 1 to 2 years.

However, we have to keep this trade actions, in mind. So, with these uncertainties, it is really getting difficult. And because -- how to phrase it is like if everything is running in a very systematic manner, it is different, because here, even our customers, especially in the U.S. are a little bit -- not only U.S., I mean customers in the EU as well as some of them in China are also a lot of uncertainties because U.S. tariffs are not on India alone.

They are all on multiple countries, which thereby affect the overall, how the -- because you need to understand if manufacturing activity, one country gets affected because of U.S. tariffs, that does affect that country's overall consuming patterns also. So which means, so tariffs in U.S.A. necessarily need not affect the business to U.S.A. only, it can also have an impact in other countries also.

So these uncertainties are looming around, and we expect those to be cleared, hopefully, in the next 2 months, maximum. June, July, I think hopefully at the end of this month or early July, we should have some better clarity. And once we are living in a certainty world, definitely, we'll be able to say at what rate or at what extent we can do. I hope you understand what I'm emphasizing here.

Purushottam: Yes, sir.

Moderator: The next question is from the line of Amit Agicha from HG Hawa.

Amit Agicha: And sir, my question was from last 12 years perspective, like you said note from March '14 onwards till the COVID March '19 or '20, we'll say, the revenues and net profit and everything was on the uptrend. The margin or -- EBITDA margin also was increasing from 6% to 10%, 11% and onwards. But post-COVID like something has happened, like the revenues are also like stagnant and the EBITDA has fallen and the net profit has also come to single digit now. Can you just put some insight or what I comment on it?



Chowdary Karuturi:

No. Definitely, okay. I mean this has nothing to do with COVID specifically, of course, definitely COVID played a role in everybody's lives, but as far as the business trend is concerned for the capacities, what we were having of our own or even on a leased basis at that point of time before COVID. And finally, post-COVID, whether we are having our own capacities, we did do, I think FY '22 was, overall, it was a good year for us post-COVID. I mean especially considering, we actually did our historically high numbers.

I think as far as volumes are concerned in FY '22, I guess. And the thing here is post-COVID, we did have -- we did face certain challenges. Again, not specific to COVID, but overall market dynamics changing. And obviously, we did lose some of our customers to -- for a brief period, at least for a year like 2 years ago, which has also happened in '23 and a little bit in early '24, which we have been gaining them back.

We did also, overall, we did lose some of our market share to our competition in Ecuador, to a certain extent, which did happen. Some of our sales, which we were doing, we also did -- Ecuador also played a role in general. But in our company specifically, certain customers did switch to the Ecuadorian supply, which didn't have an impact on us directly. That is one of the reasons where we started also pushing to other markets. And I mean whether it is the EU -- especially the EU, we have been diversifying.

And FY '24 and FY '25, if we look at it, yes, FY '25, definitely, we are looking at a turnaround. And since -- towards the end of the year, we have been seeing better Q4 and thereafter, we have also seen a better increase in our sales for -- I mean, our order book also compared to the earlier quarters. And we believe that we will be able to do better going forward.

There was a gap in between for almost 2 to 3 years, like you rightly pointed out, especially FY '23 and FY '24, FY '25. Last 2, 3 years, it has been a little bit slow. But we have been taking steps to -- especially with regard to some of our loss of sales in the U.S. market, it took time also to get it replaced in the EU market. But finally, we are there and we are also -- parallelly, we have also been able to regain some of our customers back in the U.S. also. So overall, this did have an impact for almost 2 years with regard to our sales definitely.

As far as margins are concerned, obviously, the pricing, which has been affected. Of course, at the farmgate level also, it was higher. Added to that, the company had been having some provisioning, which has been done for some legacy-related issues like earlier, some like hatchery debtors and all that, they were -- some of them were also there, which were also creating an overall issue for the company.

So we had to do with all those, which was being done in the past 2 years, especially. So there is one -- so these were all like the one-offs based on the progress being done on the recovery. And eventually, the call was taken. And the company had decided to basically do away with such sort of old bad debts rather. So obviously, that also affected the overall profitability of the company to such provisions. Those are all -- those have all been cleared off. So that was on the -- you specifically asked both on the revenue as well as -- sales as well as on the profitability. I think I answered on both the points.



- Amit Agicha:** Yes, sir, especially, I'm talking about the EBITDA as well. So it was for 4 years, it was in the range of 11% and 10%, and 11% and 11%, then started falling down to single-digit 9%, 8%, 5%, 3%. There's a constant fall in EBITDA margin. So what immediate steps are the company taking to at least bring back to 10% level again?
- Chowdary Karuturi:** Well, the only way to actually increase the EBITDA overall is obviously to have a better realization or higher realization. Given the costs increasing, it is just that our sales prices obviously have been very kind of muted not in a very firm manner, they have been slow because of the troubles at the destination markets. But at the same time, the cost escalations at the farmgate level here also definitely impacted us overall on the EBITDA level.
- So this -- that is -- the only way to that is we have to enhance our value obviously. And we'll have to look at for selling at a higher price, which we cannot do in the products what we have been doing in the past. So that is one of the reasons we are also changing the products or rather going for, which we have been planning for the past 4 to 5 years to do, and that is what we have to increase. Definitely, to increase on the EBITDA level, we also have to definitely have to increase the -- our realization value definitely.
- So that is the main part, which is there because cost escalation at the farmgate level is in keeping our farmgate prices quite firm. Obviously, there will be periods where we will have tailwinds at the farmgate level also, like we may have some time like as we have currently, for example. We will have those, but they are not going to be there through the year.
- So in order to support an EBITDA growth overall, we will have to focus on getting an enhanced value and depending on the products, what we do, we also are working on that, changing the type of products so that we get a better realization with -- given increase in costs at the production level.
- Amit Agicha:** Sir, may I ask one more question?
- Chowdary Karuturi:** Yes, please.
- Amit Agicha:** So assuming the present status quo, like the uncertainty about tariffs and everything is okay, assuming that suppose hopefully, the 10% thing stays, then is it possible for you to give us the volume realization of margin guidance for FY '26?
- Chowdary Karuturi:** As I think one of the earlier participant has mentioned, it is true, we gave a number of -- earlier, we said around 12,000 metric tons for FY '26. So we are definitely going to work in that direction. But on the margin front, I'll not be wanting to give you any specific guidance at this point immediately, but I would rather want to wait more for the end of the first quarter. So on the volume front, we are looking forward to do the 12,000 metric tons minimum for the FY '26.
- Moderator:** The next follow-up question is from the line of Siddharth from itthought PMS.
- Siddharth:** Sir, like you mentioned from the previous participant that something -- which I wanted to ask about like in this quarter realization is up 20% year-on-year and 6% quarter-on-quarter. And you



also said that sense a turnaround based on the sentiment right now. Like can you expand on that? Do you see that...

Chowdary Karuturi: I will -- sorry, go ahead, sorry. Go ahead.

Siddharth: Are you actually sensing that this is the time that this industry is in the -- like going to be better off from this point onwards?

Chowdary Karuturi: Sorry, our answers, our responses were not about industry in general. We were specifically talking about our company.

Siddharth: As a company?

Chowdary Karuturi: Yes. As a company, the reason being, of course, we also were very transparent in acknowledging that we did lose some of our sales to some of our competition in other countries also. And we -- which we have been gaining back in the first few months. And at the same time, when we stated that we have been focusing on diverting to other markets also, which is very much evident with the way we have been growing, especially in the European Union.

And we continue to pursue other markets so that we can still have a overall very positive growth for the company. In that respect, we have stated that we believe we have come out of the negatives, which is basically heavily concentrated almost to the extent of 80% to 85% in 1 market, which was the U.S.A. at that point of time.

And so all that was -- in that context, I have stated, we have stated that it is a -- we have a kind of a turnaround situation in the year FY '25. And we also stated that we are done away with some of those legacy issues which were hanging in the company related to any sort of provisioning and all that, which have been done which that has been taken up in the past 2 years.

So obviously, I have called it a turnaround for the company because we are done with all those old problems and that we are -- I'm not in any generalized manner for the industry overall. I can't -- we can't speak anything with regard to that.

Siddharth: Let's say Q4 is a weak quarter for this company, right, generally?

Chowdary Karuturi: Generally, Q4 is less sales usually. Usually, Q4 is for the industry overall because the supply also -- buying also will be -- most of the buying will be done for Q1 and Q2. Overall, what you rightly mentioned, usually, first half is the major business, which is supposed to be there.

Again, that was not the case in FY '25 also if you look at it, the first half -- I mean, comparatively, only 1 quarter in the first half was good. I mean, good means on the sales volume-wise, even though it was lesser compared to earlier periods. But Q4 is -- overall, it is a little bit lower, yes, generally...

Siddharth: Like realization is up 20 percentage year-on-year, right, in this quarter. So is it because the demand is revising?



Chowdary Karuturi: I mean, yes, we have the realized -- no, there are also, one is unit value. One is unit value for dollar -- in dollar terms. Like you rightly mentioned, the demand has picked up, and the pricing also has improved, especially from the middle of Q3 onwards, which definitely reflected in the sales of Q4. Added to that, we cannot ignore the factor of currency equation here. The rupee also has depreciated or however, we want to call it as the dollar has appreciated.

And that also is one of the factors which play in -- plays the role. So if we look at it, Q4, the average realization was INR794 per kilo compared to Q3, which was at INR749. So this is not only, there are two factors here. One is the unit value overall because of the demand. And at the same time, depreciating local currency also supported it.

Siddharth: How much is the contribution of this currency?

Chowdary Karuturi: Well, in the overall scenario, we have seen -- I think it was roughly around 3% to 4%, I believe, was, on the currency front, roughly around 4% roughly.

Siddharth: This is year-on-year, right?

Chowdary Karuturi: No. During the year, I was specifically stating during the year. You know the currency itself has depreciated well. In fact, it reached almost -- it peaked up almost to 87 and-odd. It almost -- yes. So that also is there. It plays a factor. But at the same time, our unit value in dollar terms also, it has grown by almost 7% to 8% additionally, in dollar terms.

Siddharth: Okay. 7% to 8% is, understand.

Chowdary Karuturi: Yes, yes.

Siddharth: Now like one more question I have is...

Moderator: Sorry to interrupt Mr. Siddharth, I would request you to please repeat your question. We lost your audio.

Siddharth: Okay. Okay. So.

Moderator: Mr. Siddharth, we can't hear you.

Siddharth: Yes. Okay. I have it. At the current raw shrimp price of INR358 per kilo, are the farmers making money?

Chowdary Karuturi: See, farmers making money is something which we would not be able to answer entirely because it depends on multiple factors there, not just limited to their costs, but also their output, their farm level conditions, their efficiencies, so it depends on their planning. If they are doing multiple harvests in a single crop, it plays a different role.

And if the growth of the shrimp is not there at the farm level, that plays a negative role for their overall that cycle, that crop, so we wouldn't be entirely able to say that because it depends on how each respective farmer has their output or their harvest happening.



Now, as an average price of INR358, you need to understand, it's an average of multiple sizes, depending on what we did. There could be another company which may have INR380 as purchase price, average purchase price. But at the same time, the sales price also could be higher because depending on what sizes they have been doing. So there could be somebody who would be doing larger sizes.

Obviously, it will be at a higher cost. Of course, it should also reflect in a higher sales value. So the INR358 is something pertaining to our company's purchase price during the quarter. Please understand that. This is not what the farmer is getting literally. It could be depending on what size he's harvesting.

We buy anywhere between INR250 to INR500. That is the range depending on the sizes. So we wouldn't be exactly be able to answer that because it depends on what they have harvested and what were their costs and whether they got the yielding in a reasonable manner or they had a negative yield where they lost and their cost escalated. So it entirely depends.

But in a general perspective, they are okay as long as they don't have problems, means any sort of disease problems or anything, they're okay. The -- so most of them have been fine. They are reporting -- they are again -- to be precise, if your question is in today's market scenario, are the farmers okay? We find them to be okay. They are going for stocking again.

We see our seed sales improving. It is also going in a positive manner. We do understand that the farmers are positive for now unless things go south, negative, then it is different. There were certain corrections in the farmgate prices even in Q1. That is in the current quarter, Q1 FY '26. That obviously is related to all these tariff actions and all that. But overall, they are fine.

They are going -- it all depends on the farm level conditions rather than -- it's not entirely dependent on the pricing alone. Please understand that because their costs get affected based on how their farm-level economics work, not just on the cost but also dependent on the survivabilities at the farm level, okay?

Moderator: The next question is from the line of Tom from Geojit Financial Services.

Tom: My first question is regarding EU approvals. What are the kind of client relationships we are having, like how confident we are regarding certain sales volume we can generate out of EU if we get the approvals?

Chowdary Karuturi: We already have relationships with the EU customers who are willing to support us and who are looking forward for our approval to happen so that they can also start buying the products from the new facility -- sorry, the second facility. Yes.

Tom: Okay. So can you give us an approximate volumes like what we can expect from EU post-approval?

Chowdary Karuturi: Well, we will be able to grow at least minimum 30% to 50% in the first 1 year of approval. That is how confident we are based on our relationships and how the overall market demand in the EU is happening.



Tom: Okay. In absolute terms, that would come to around?

Chowdary Karuturi: At roughly -- 1 minute. It will be -- we will be able to grow around 2,500 metric tons in the first year itself for the EU market alone.

Tom: 2,500 metric tons.

Chowdary Karuturi: Additional volume roughly, approximately. Yes.

Tom: And regarding U.K. volumes, is there any approximate growth or absolute number you could give us?

Chowdary Karuturi: We will not -- we will wait for the tariffs, sorry, for the FTA to get implemented. I think we'll be able to give even a better because that keeps changing. It has been higher last year to a certain extent. I mean, last quarter, it keeps changing on a quarterly basis, but overall, it had increased.

But we believe we are looking -- now we are starting even ready-to-eat products to the U.K. this year -- this quarter. We are also starting them. So immediately, I think we'll be able to give much better clarity, hopefully, positively next quarter when we get the clear indication of the effective implementation of the FTA.

Tom: Okay. Now my second question is regarding the farmgate prices. Is there a decline from March exit till the current situation? Like what is the kind of farmgate prices for the like-for-like sizes right now?

Chowdary Karuturi: Roughly around 8% to 10% reduction was there. I mean roughly -- let us say it is currently sitting around 7% to 8% lesser compared to what it was in the month of March to now, roughly, I'm just saying. I mean it went lower, but again, it -- marginally, it will pick up -- that keeps changing depending on the demand and supply of sizes and all that. But overall, post-tariff announcement, there were corrections yes, at the farmgate level.

Tom: Okay. And the average Q4 farmgate prices was?

Chowdary Karuturi: The average Q4 farmgate was -- I think that was discussed earlier with the earlier participant, INR358 for us, for our company. Yes.

Moderator: The next question is from the line of Saurabh Shroff from QRC Investment Advisors LLP.

Saurabh Shroff: So just want to understand since the big tariff announcement in early part of April, what have you seen in terms of buyer behavior change from your clients and customers in the U.S. largely? Are they trying to prebuy? How are they sort of dealing with the uncertainty? And what impact is it having on our business?

Chowdary Karuturi: Well, definitely, there was a lot of chaos. There was a lot of kind of confusion, which was created during the first few days of the tariff announcement. But subsequently, when the honorable President of the United States had announced to keep the increased tariffs beyond 10%, whatever they were, like, for example, 16% in the case of India. In abeyance for 90 days, definitely that kind of cleared the air for many customers to continue their purchases, number one.



Number two, with the increase in prices, sales prices due to this 10% implementation, which is definitely implemented on all the cargoes, all the shipments from the beginning of the current Q1, pretty much, most of them, all of them actually, these prices were also there in 2022.

It's not like these prices are something very high, abnormally high that they -- the business cannot be conducted in the U.S. market. So we have been selling at these levels even in the year 2022. And then there was a correction, of course, big correction in 2023 subsequently to that. And now post this tariff announcement, we are back to those numbers.

The customers are continuing to buy at this -- considering that the tariff rates will be at 10%. But post-90 days, we need to see how the trade deal is going to happen. Definitely, everybody is very much cautious. Even our customers, they want to see what is going to happen post-July 7 or -- July 9 once this 90-day extension period is done.

So we need to see how it will happen. Meanwhile, if there is a trade announcement, hopefully between India and U.S.A. towards the end of this month or early July, that will be very helpful, for sure or whether the honorable President of the United States will again give another extension or not. So those uncertainties still remain what will happen, how this will be there.

And yes, our customers are very cautious. They are looking forward, for example, the purchase is what they have been making. They have been very concrete on the shipment dates, delivery time schedules and all that. But at the same time, the buying has not stopped. In fact, we are working on some new programs, which are going all to the -- towards the end of 2025 and early '26. It's not that people will stop eating shrimp because there are tariffs.

They will create some space -- I mean, there's some little bit of pressure definitely on the price point. And we also have seen many announcements by end retailers also in the U.S.A. because this is not shrimp alone, if the tariffs are hitting across the board on multiple products. So overall, the retailers are also planning to increase their prices, their selling prices. So obviously, it will be the end consumers in the U.S.A. who will be taking some of the increase for sure into their costs.

And as we stated earlier, these prices are not new. These prices have been there earlier also as just 2 years ago. I mean almost 3 years ago. In 2022, we have been selling at these levels only. So it's not something new. So that -- so -- but confusion still prevails. So the cautious approach still prevails both from the customer side, even though they are planning for programs for the rest of the year for the holiday sales and also early part of 2026.

We have requirements coming in for both Q4 and Q1, Q4 of current calendar year as well as Q1 of next calendar year. So different programs are being worked out, but they are very cautious. We are also cautious. We are just waiting. So -- but overall, people need the product. The customers need the product, consumers continue to consume the product.

It's not that they stopped consuming because tariffs have come in. And that's where I was trying to emphasize that these prices also prevailed 3 years ago. These prices are not something historical high numbers. We have seen higher numbers than these in the past, okay?



Saurabh Shroff:

Sure. Sure. And if I may, now that we are quite close to getting the approval for the RTE line, can you maybe help us understand what -- how does this sort of improve our realization and margin profile, let's say, versus ready-to-cook? What can we expect in terms of margins, especially?

Chowdary Karuturi:

First and foremost, there will be an increase in sales in the ready-to-eat for sure for the markets of EU overall. We look at a better realization for sure, that will be increasing almost -- we look at it, almost 10% to 15% better realization part minimum, but at the same time, we also have to look at the additional costs which are involved for doing those products.

But main thing is we have to understand that even though the ready-to-eat product capacity will be made available to the -- for the EU market, we are expecting in the first year -- as we stated earlier, we are expecting a marginal growth in the first year. And as we continue to deal with more retail markets in the EU. Once -- we are not able to approach to certain customers even today without having access to that product -- I mean that capacity. Obviously, we cannot talk.

So for every solicitation of product requirement, which comes our way, whichever has any ready-to-eat component, we are currently ignoring the entire requirement because we are not able to produce that. So those such kind of things will not happen, obviously, when we have the access. So we will be able to do it in a better way.

Yes, in general, realization-wise, always between ready-to-cook and ready-to-eat almost a minimum of \$1.5 minimum difference will be there, \$1.5, depending on the sizes and the type of products again. So minimum difference will be there. But -- and of course, with the additional costs and all that, we also need, we can also look at around \$0.40 to \$0.50 per kilo additional margins.

I mean -- but again, it all depends -- finally, after that \$0.40 to \$0.50, we have additional costs also. But we have to keep that in mind. So we are just looking, waiting for -- I mean, first, to start the sales in the ready-to-eat once the access, market access is provided to us.

Moderator:

The next follow-up question is from the line of Purushottam from Wise Old Bird Limited.

Purushottam:

Sir, I want to know because our company is being a visionary company. So we started from leased capacities to own capacity and from ready-to-cook to ready-to-eat. So what is the vision that the company has for the next 5 years? How do you see?

What are the geographies that we target? How will be the revenue contribution from each of the geographies that we have in our mind? And how does the whole scenario look, I mean, if the company has certain plans, right? Yes, we wanted to know that.

Chowdary Karuturi:

We have amended our ideas and visions over the past few years. So definitely, we want to reduce our dependence. Our company-wise, we have seen certain examples in the rest of the world, and we want to reduce our dependence on 1 market, which we have been doing. And we want to -- like you rightly mentioned, we want to diversify very well into several other markets.



And thereby, of course, in our growth, in our volume growth, we want to use that capacity for all other markets rather than the existing saturated, I mean, existing market rather where already that there's enough volume which is being done. That is one part.

So obviously, which means that we will be growing our volumes more into other markets parallelly, thereby, at some point, we believe we shouldn't be doing more than 50% to 60% of our total volume. More than 50%, we shouldn't be doing to any 1 country. We don't -- I don't want to take any names here, but I think we should cap it up like that so that we don't do more than 50%. That is on a high side.

And the more diversification we have, the less impact in the negatives, if any, we will have because of any such measures or any actions or any uncertainties which may loom around because we are not able to -- today, in the rather uncertain world with the way things are going on all over, a lot of assurances are not available to us itself, so for us to give you or to provide to anybody.

So we are actually working on it with caution to be precise. But we will be diversifying more very well even in the current year. We want to push it out. As I stated over a period of time in the next few years, we want to restrict even our number one market to 50% or lesser than 50%. So that's how we feel in an increased volume scenario, obviously -- in an increased volume scenario. We are utilizing our capacities to the optimum.

Moderator: The next question is from the line of Mayank Patel, who is an individual investor.

Mayank Patel: Hello?

Chowdary Karuturi: Yes.

Moderator: Mr. Mayank, you can please proceed. Mr. Mayank? Due to no response from the current participant, we will move on to the next participant, which is a follow-up question from the line of Saurabh Shroff from QRC Investment Advisors LLP.

Saurabh Shroff: Yes, just wanted to know what is our RTE sales in the current year and last year in terms of tonnage?

Chowdary Karuturi: The share of current year. Of course, current year, it has dropped down to 10%. Last year, it was 16%, on a volume terms -- in volume terms, yes.

Moderator: The next question is from the line of Sriram R., who's an Individual Investor.

Sriram R.: Sorry, I joined the call a bit late, so I'm not sure if this was discussed. My question is, what is the current tariff structure for Ecuador versus India? And whether the, our export market share is steady or increasing.

Chowdary Karuturi: Is the tariff structure you mean for these additional tariffs, which were really imposed upon?

Sriram R.: Yes.



- Chowdary Karuturi:** It is the same for everybody currently. It is 10% on all products, whether it is Ecuador, India, anybody, Vietnam, currently, it's all at 10% for now.
- Sriram R.:** Okay. So the total, let's say, the -- for the total landed cost, including other duties, what will be the structure? This is the extra additional 10% rate?
- Chowdary Karuturi:** Yes. But see, earlier, the tariffs were already prevailing with regard to antidumping and countervailing duty. So currently, India has roughly around 7.12% roughly with regard to U.S. market. In the case of Ecuador, they have -- they only have -- I think they only have 1 duty, which is -- in their case, they have CVD duty, countervailing duty. They have 3.78%. Ecuador is at 3.78% currently.
- Sriram R.:** Okay. 3.78% versus 7.1%. Okay. Okay.
- Chowdary Karuturi:** Yes.
- Sriram R.:** Sir, but do you see the share of exports steady? Is it increasing compared with the Ecuador?
- Chowdary Karuturi:** Well, see, they have certain advantages for sure on their side because they are close approximately to the U.S. market. Their delivery times are lesser compared to us, subject to them shipping. So anyway, so overall, the delivery times are lesser for them, it takes 10 days for us, it takes around 45 to 50 days. That definitely plays a role in the customer's decision making also.
- But the overall scenario is such that we have the ability to produce the products which the U.S. needs in a much better and bigger scale compared to them. That's how I would keep it. So it's not like what products we can produce, whether we are producing the products which the market, that specific market needs or not.
- That is the more important point. Most of their products, their production is based on, as we stated to an earlier participant, it's basic commodity, which is mainly exported to China and the countries of European Union. And their third biggest market is United States, whereas many of the Asian players, Asian countries have U.S.A. as their biggest market for the products which are required by U.S.A.
- U.S.A. doesn't buy a lot of the commodity based, I mean, head-on, shell-on product, they need more value addition obviously. So which India is able to do in a better scale for now currently.
- Moderator:** The last question is from the line of Mayank Patel, who is an Individual Investor.
- Mayank Patel:** Sir, my question is regarding the borrowing, what is the current borrowing of the company?
- Chowdary Karuturi:** The short term, INR67 crores.
- Mayank Patel:** Okay. And regarding the expenses. So the major cost for expenses, are we paying for the repayment of borrowing or what? Because it is like INR153 crores for this financial year.
- Chowdary Karuturi:** Yes. Finance expenses is not INR153 crores.



Mayank Patel: In other expenses, I can feel like it is INR153 crores.

Chowdary Karuturi: Other expenses includes ocean freight. Many other expenses -- it's just -- it's not finance costs.

Mayank Patel: Okay. And in the bottom of this presentation, I see the export benefit, which is provided by government, which is INR454 million for financial year. So if we reduce that from EBITDA INR297 million, so the company is slightly in loss. So is it so?

Chowdary Karuturi: Currently, in the current quarter, that is how it has been overall Yes. But currently, the situation is the export benefits are supporting to a certain extent. And please, you also have to keep in mind with regard to our sales in U.S.A., we are also paying 5.77% as our countervailing duty, which is mainly being levied on us because of these so called export benefits, okay? So it's not -- yes, that was, it's also getting negated. That's why you need to keep that in mind. So...

Mayank Patel: And the government...

Chowdary Karuturi: Yes, sorry, go ahead, please.

Mayank Patel: Okay. So government recently announced in budget that in fishery sector, some custom duty has been reduced to 15% to 5%. So how much reduction is we expect in expenses part with that reduction in duty?

Chowdary Karuturi: Duties were not reduced directly on the processing sector. They were all related to the primary production, which is related to feed or the hatchery feeds, the shrimp feed manufacturing-related aspects. They will benefit in the medium term and long term, they will benefit the farmer mostly the primary...

Mayank Patel: Basically it is from farmer, not the processing company.

Chowdary Karuturi: Which eventually helps the processing company, obviously. If their costs come down, we can remain competitive in the global markets, right? It is linked, but it is in indirect, it's an indirect one.

Mayank Patel: Okay. And one more thing, last question. Recently, I read somewhere that PM Modi chaired a meeting with the fishery sector's representatives. So what the government take on this or how government intends to support this factor or companies? Can you help give some insight?

Chowdary Karuturi: I'm sorry, but we don't, we know that there were meetings held, but we don't have the specific details and they were more government- to-government ministerial-level talks, which we are not privy to. So we are not fully aware, but we believe it's more to increase the -- overall gist is that -- the whole idea is to increase the production of fisheries from the country. That is what we understood in a brief manner.

So in one way, it is good if the overall production increases in a cost-effective manner. Definitely, we can remain more competitive in the global markets. And as ours is mostly export-driven and not much in the domestic market as far as shrimp is concerned. So definitely, it will help us.



Mayank Patel: Okay. Thank you so much.

Chowdary Karuturi: But we don't. Yes, thank you.

Moderator: Ladies and gentlemen, that was the last question for today. I now hand the conference over to Mr. Chowdary Karuturi, for closing comments.

Chowdary Karuturi: Thank you, Sejal Thank you. Thank you one and all, for making to our investor call of Q4 FY '25. And we request you to reach out to ir@apexfrozenfoods.com for any further queries or clarifications you need. Thank you very much, and have a good day. Thank you.

Moderator: Thank you, on behalf of Apex Frozen Foods Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.