



“Apex Frozen Foods Limited
Q4 & FY'26 Earnings Conference Call”

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**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. SUYASH SAMANT – STELLAR IR ADVISORS

Moderator: Ladies and gentlemen, good day, and welcome to Apex Frozen Foods Limited Q4 and FY '26 Earnings Conference Call. As a reminder, all participants will be in the 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. Suyash Samant from Stellar IR Advisors. Thank you, and over to you, sir.

Suyash Samant: Thank you. Good morning, everyone, and thank you for joining us today. We have with us the senior management team of Apex Frozen Foods Limited, Mr. Chowdary Karuturi, Managing Director and Chief Financial Officer; and Mr. Durga Prasad, Senior Manager, Accounts, who will present 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 2026, followed by a question-and-answer session. Please note that 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 developments that occur after the statement is made.

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

Chowdary Karuturi: Yes. Thank you, Suyash. Good morning, everyone, and thank you for joining us on this investor call for Q4 and FY '26. We have uploaded the investor presentation on the website of the stock exchanges, and we do hope that you all have had a chance to go through it.

As highlighted earlier, we continue to broaden our global footprint through geographic diversification over the past 3 years and more, which helped us pivot in FY '26, wherein one of our largest markets, U.S.A., faced disruptions due to first tariffs and later on due to war-led logistics issues, rather. Despite softness in the U.S. market, we were able to maintain our volumes close to last year's levels of 10,300 metric tons, backed by robust performance in the non-U.S. markets, mainly European Union, which grew 19% year-on-year in FY '26 and 15% year-on-year in Q4 FY '26.

For the first time in Apex's history, non-U.S. export markets became the largest contributor to sales in FY '26, accounting for almost 52% of the total sales mix. Nevertheless, as highlighted in the past, the U.S. continues to remain an important market for both India and Apex, and we remain confident in our positioning and ability to capitalize on the opportunities as market conditions improve.

Now coming to our financial performance for Q4 FY '26 and FY '26. In FY '26, we delivered a healthy revenue growth of 14% year-on-year to INR931 crores, driven primarily by firm global shrimp prices and favorable currency movements. Shrimp sales volumes remained largely stable at 10,286 metric tons in FY '26 compared to 10,534 metric tons in FY '25. Stable farm gate prices year-on-year, along with ongoing cost efficiency initiatives, supported profitability as the EBITDA grew 145% year-on-year to INR73 crores, with EBITDA margins expanding by 405 basis points to 7.7%. Profit after tax increased to INR39 crores compared to INR4 crores in FY '25, reflecting a strong growth of 902%.

In Q4 FY '26, net revenue for the quarter stood at INR168 crores compared to INR197 crores in Q4 FY '25, while sales volume stood at 1,912 metric tons versus 2,349 metric tons in the corresponding period last year. EBITDA increased by 118% year-on-year to INR17 crores with EBITDA margins expanding by 593 basis points to 9.8%. Profit after tax stood at INR8 crores, registering a growth of 296% year-on-year.

Coming to the balance sheet. We continue to focus on strengthening our financial position through disciplined debt reduction and strong cash generation. Total borrowings reduced significantly from INR107 crores in March 2024 to INR6 crores as of FY '26 end. Net debt to equity stood at negative of 0.02x, supported by robust cash flows from operations of INR96 crores during FY '26 versus INR54 crores in FY '25.

In conclusion, despite recent headwinds, we have remained focused on strengthening our fundamentals through debt reduction, cost discipline and revenue diversification, mainly supported by our manufacturing capabilities and also available capacity. We are well positioned to scale the business and capitalize on improving market conditions. We will continue to diversify across markets, enhancing resilience and creating a strong foundation for sustainable long-term growth.

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

Moderator: Thank you sir. Our first question comes from the line of Sharan Yash with SVS Family Office. Please go ahead.

Sharan Yash: Yes. My first question would be, if we really see the EU has grown quite well in the last 3 years, so it has been doubled, while U.S. contribution in terms of the absolute remains around INR500 crores, which was erstwhile around INR700 crores. So I understand the impact of tariffs, but going forward, if the tariffs issue is behind us, so this revenue should scale back to INR700 crores, is my understanding correct?

Chowdary Karuturi: The volumes should be scaling back for the U.S. market, to answer your question. The revenue, of course, is of course, determined based on the realization, the unit values, of course, in dollar terms as well as the currency realization. But definitely, the volumes to the U.S. will be scaling back as in the past. Now with the tariffs being brought down to a lower level of around 10%. So yes, that eventually it will result in a scaling back of revenue also. But mainly the volumes are going to come back. So obviously, the end result will be the revenue growth also.

- Sharan Yash:** Okay. So this is along with the growth of whatever the growth we are seeing for Europe. So it will be a growth from -- it's like a second end of the growth, right? Second end of the growth, which US should come back.
- Chowdary Karuturi:** Yes, yes.
- Sharan Yash:** Okay. Okay. And sir, what is your hedging policy like? I mean, since the rupee has depreciated so much. So going forward, like how do we see it benefiting us if there is any?
- Chowdary Karuturi:** We do cover our risks partially by way of forward contracts as we also continue to add new orders to our order book. We do hedge part of our risks by way of forward contracts with our authorized dealer banks, basically. And that's how we have been doing all these years.
- And even though there was a brief pause in the middle of last year, in the middle of FY '26 because of significant depreciation in the currency. And we are following the same even now. We partially, we do cover. I would say to the extent of around 30% -- max 32%, not more than that currently.
- Sharan Yash:** Okay. Okay. So I mean with 30-70 composition, it should only help us going forward in the following quarters, right? And then since the rupee has depreciated so much?
- Chowdary Karuturi:** Yes. And as you know, in the country itself, the trade is also dependent mainly on exports. Obviously, currency depreciation or appreciation, obviously, will have its resultant effect on how the business is conducted definitely. So yes, for now, it is a positive sign on the side of exports, for sure. Yes.
- Sharan Yash:** Okay. Okay. And sir, what aided this margin growth this time? Like whatever the 7%. I'm excluding the other income and looking at it. So 7% growth. So what is the reason for this margin up?
- Chowdary Karuturi:** Well, a few points, of course, are also usage of a significant part of our inventories from the earlier quarters also is one of the important part, which supported, apart from like the earlier point, which you have mentioned about the depreciating rupee. But then you also look at it, a reduction of overall debt -- the cost of debt. We have reduced our debt significantly. Of course, it's not -- it just did not happen in Q4 alone, but it has been happening over the quarters of FY26.
- And definitely, the cost savings on that and also certain efficiencies parameters, which we are taking up at the process level also is basically keeping our costs stable and also mainly supported by the raw material pricing also, which was a bit favorable for a certain period of time. So all these multiple factors put together have definitely aided the growth in the margin as a whole.
- Sharan Yash:** Okay. Okay. And these are sustainable at this level, the margin is -- EBITDA margin is sustainable at this level?
- Chowdary Karuturi:** We should be, especially we should be considering that we are also in the earlier years, if you see, we also had some certain provisioning also which were done and all that. Most of it is being done away. It's done. So obviously, the margins hoping that the market remains stable.

And since we cannot depend on just one market excessively, which has already been taught to us as a lesson, that's one of the reasons why diversification also helps us in keeping our business balanced in a broad manner that definitely helps and/or aids the retention of the margins at which we are currently at.

- Sharan Yash:** Okay. And one last question from my end, sir. So can you just help me with the difference of other income for full year? So it looks -- I mean, the INR17 crores. So what is the difference of this?
- Chowdary Karuturi:** The other income is mainly foreign exchange difference net. It is part of the revenue only, it's just for accounting purposes. Most of it is a foreign exchange difference in that, apart from some marginal lease income or something, which is in few lakhs, but most of the INR17 crores is all foreign exchange difference during the year.
- Sharan Yash:** Okay. And just one last question. So total cash holding. So what is your total cash holding, sir, including the investments in the, I think, other noncurrent assets also there is some number. So what is the nature of that?
- Chowdary Karuturi:** I'm sorry, can you repeat? what did you ask specifically? The cash and equivalent?
- Sharan Yash:** The cash on the balance sheet. So what is the cash on the balance sheet?
- Durga Prasad:** Cash equivalent, basically it is our cash balance includes bank also.
- Chowdary Karuturi:** No, as a total investment
- Durga Prasad:** INR18.31 crores, sir.
- Sharan Yash:** And also, there is some item you just listed. So in the other financial assets, which is just a measure of INR26 crores, what is that item again?
- Durga Prasad:** Other financials that you are talking about, INR21.66 crores, right?
- Sharan Yash:** INR26.47 crores.
- Durga Prasad:** Sorry?
- Sharan Yash:** INR26.47 crores.
- Durga Prasad:** Yes. Correct, sir.
- Chowdary Karuturi:** Fixed deposits.
- Sharan Yash:** Okay. So total cash plus that INR26 crores, it is INR18 crores plus the INR26 crores, no?
- Durga Prasad:** Sorry, it is the fixed deposits as well as the receivables also.
- Sharan Yash:** Okay.

Durga Prasad: Yes.

Moderator: Our next question comes from the line of Bhaskar Khandar with Tree Head Capital.

Bhaskar Khandar: Sir. Three question for my side. We are, before we – we did around 1,900 metric tons. And what was the volume for last year, for Q4?

Chowdary Karuturi: Sorry, Can you -- hello?

Bhaskar Khandar: What was the volume last year, Q4? Q4 FY25 volume?

Chowdary Karuturi: This year it was total sales was 1,900 metric tons. Last year, it was 2,300 metric tons in Q4.

Bhaskar Khandar: 2,300?

Chowdary Karuturi: Yes.

Bhaskar Khandar: Yes. That means volume was reduced, gross margin improved due to currency favorable movement or favorable price movement of our product. Am I correct?

Chowdary Karuturi: No. You say the quantity has reduced, of course, in Q4 FY26 because of certain -- during the holiday time in India. I mean in January, there was worker-related issues. But you are asking about the margins specifically, is that correct?

Bhaskar Khandar: Yes. Why gross margin improved?

Chowdary Karuturi: Yes, which we have stated also in our investor presentation also. As you see, mainly for Q4, the work has supported us, also a stable farm gate prices which also helped us. And one of the major factor for having a sustained margins during the quarter, even if the volume has come down.

Bhaskar Khandar: And my next question on FY27. What will be our bottom? because the U.S. market is now stabilized and Euro market also doing good. That means FY27 volume will good than this year?

Chowdary Karuturi: Yes. FY27, we expect to have an, of course, increase in volumes overall, definitely. For now considering that no new issues come up. And with EU FTA also coming into play soon, we expect growth of volumes in multiple markets and also retaining, as we have mentioned to an earlier participant, also regaining the volume with regard to U.S. post reduction of tariffs.

All put together, yes, there should be a better volume growth for FY27. And we have originally envisaged, of course, growth by almost 30% in volume terms. But we need to see. That's on the whole year, on a yearly basis. But we need to see how that goes between quarters. We need to see that.

Bhaskar Khandar: Yes. And next question on margins. As you mentioned, our steady state margin. This year margin will be retained next year. Are you telling about Q4 margin or FY26 margin?

Chowdary Karuturi: Sorry?

Bhaskar Khandar: What is your margin guidance in FY27?

Chowdary Karuturi: No, we said we would be able to sustain these margins what we have currently.

Bhaskar Khandar: Currently means FY26 or Q4 FY27?

Chowdary Karuturi: FY26, right? That's what was the question also, whether we would be able to sustain these margins going forward.

Bhaskar Khandar: And my last question on ready-to-eat category. What was the revenue mix from the ready-to-eat category?

Chowdary Karuturi: For FY26, it was 12%. For FY25, it was 10%.

Bhaskar Khandar: Okay. That's it from my side. Thank you, sir, and best of luck.

Chowdary Karuturi: Thank you.

Moderator: Thank you. Our next question comes from the line of Sidharth with ithoughtPMS. Please go ahead.

Sidharth: My first question is, like, what is the current tariff on your products in the U.S.?

Chowdary Karuturi: Tariffs is with regard to the IEEPA tariff, which got levied last year, which went up almost all the way till 50%. Now it is currently 10%.

Sidharth: So post the FTA, like is it going to reduce further or...?

Chowdary Karuturi: I don't know, for the U.S.?

Sidharth: Yes.

Chowdary Karuturi: We do not have the details of the FTA with the U.S. as of now. We were mentioning earlier, we were discussing about the FTA related to EU and UK. But with regard to the U.S., we do not have any details as of now. But currently, most of the countries are all paying a 10% tariff that has been...

Sidharth: With regards to U.S.?

Chowdary Karuturi: As far as U.S. is concerned, we are paying a 10% tariff in regard to tariff. So yes, that is the present situation.

Sidharth: In the last con-call, you said that 18% would be the effective tariff in the U.S., right?

Chowdary Karuturi: That is 18%. In the case of tariff, it was 18% at that time. And if you remember, it got reduced subsequently to 10%. Yes, it has been reduced to 10%, yes.

Sidharth: So, like, right now in the U.S. because of the currency movements and because, let's say, Ecuador's currency is the U.S. dollar. So I am guessing that you would have some advantage over them in terms of pricing, right?

- Chowdary Karuturi:** Well, there could be pricing in the sense of realization in rupees, if that's what you are implying?
- Sidharth:** Yes.
- Chowdary Karuturi:** Yes, it could be. But at the same time, we also need to factor in various costs also, right? So of course, their costs are based in dollars, like you rightly said, in there because their currency being in dollars. But in our case, with depreciating currency, there are certain advantages, which definitely can see as we realize higher. In fact, we had also responded to one of the earlier participant that a significant part of the foreign exchange difference was quite high. I mean the net gain of foreign exchange difference in the current year was quite high, mainly attributed to the depreciation of the exchange rate currency currently.
- Sidharth:** Are you realizing the forex gain or are you cutting the end prices in the U.S. to gain market share from the Ecuador? That's what I'm asking.
- Chowdary Karuturi:** Not really, because one important point is that in case of a depreciating rupee, finally, it also gets passed on depending on the situation, it also gets passed on to the end producer, which is the primary, at the farmer level because obviously, there is competition overseas as well as there will be also demand-supply situation even in the country, right?
- So it's not really a point that there is a depreciation in the currency, it will be passed on to the customer because our order book is not something like the currency is depreciated today, and hence, we are going to realize the money this month because it's always whatever orders we sell, typically, the payments are received only after 70 to 90 days because for the order to get shipped itself, it takes minimum of 30 days. And subsequently, it takes minimum 40 to 60 days for realization of those proceeds.
- So it's not true that in case of a depreciating currency, any such benefit would be passed on to the customer, because there are also situations where the currency also appreciated at certain times. So it's not a fact. As I told you, this also would result on the costing here also. That will also be changing accordingly.
- Sidharth:** Understood. So one more question I have is, like, EU volumes, import volumes, not from India, from Ecuador is a little low in the last 2, 3 months. India's base is lesser, but the volumes are growing. And U.S. now coming to 10 percentage tariff. So how do you see the demand outlook in these 2 markets and the supply, which is basically India and Ecuador, how do you see this landscape?
- Chowdary Karuturi:** Well, see, as far as Europe is concerned, the type of product which Ecuador does mostly to Europe is the base commodity product, which is Head-on, Shell-on. So for specific markets in the southern part of Europe, whereas most of the products which are exported from Asia to Northern part of Europe and also parts of East Europe are all more value-added, whether it is in Ready-to-Cook or also even Ready-to-Eat. So these are 2 different category of products which can't really be compared.
- And as far as their exports being reduced to Europe and maybe they have been picking up in some other markets, some other countries, maybe whether it is in China or USA, it depends. But

for us, we have anyway been diversifying over the years into the European Union and Apex will continue to do that into other markets in general. And positive factors like FTAs will definitely help us more as they get implemented.

I think UK will be the first one to implement sometime soon, very soon and followed by EU more towards maybe the end of this calendar year, hopefully. And they will definitely help us to gain more volumes out of the EU, especially. And for us, our products, we are well placed with regard to having a good market share and actually growing them further also in the European Union, especially. That's with regard to the European Union market.

Sidharth: With regards to the U.S.?

Chowdary Karuturi: U.S., we are getting back as we mentioned to an earlier participant, we are getting back our volumes. So we are getting back our orders into the U.S. already post removal or rather reduction of tariffs to 10%, because all the shrimp supplying countries are on the same level playing field as far as the tariff is concerned. So we are getting back our orders from the U.S. market also.

So we'll continue to grow on both ends. So as stated in one of our earlier calls also, we are not going to reduce the other markets' market share even if U.S. market as we regain our U.S. market. So that way, we would put it in the overall picture, it will be helping the company to grow further.

Sidharth: So are you, like, the most optimistic you have been in the last many, many years because it's been a long time you have been facing so many issues?

Chowdary Karuturi: Yes. I mean, definitely, being optimistic is one part, but also at the same time, we are moving into a world where uncertainties are increasing and certain sudden incidents or events are also changing lot of the overall dynamics of the trade. So we are optimistic, but at the same time, we are also being cautious. That's how I would put it.

Sidharth: Understood, sir. Thank you. All the best.

Chowdary Karuturi: Thank you.

Moderator: Our next question comes from the line of Mehar Gupta with WhiteOak Alpha Advisors. Please go ahead.

Mehar Gupta: Very good afternoon, sir. I just want to understand what's your long-term goal? Like what's your guidance for next 2, 3 to 5 years?

Chowdary Karuturi: Well, as we mentioned earlier to the other participants, definitely, we are looking positive with the way things are going and gaining market access on hoping that we have a stable supply situation and we are able to utilize our production capacities in an optimal manner, as we still have a good headroom for growth because of our overall utilization of capacities also being currently at only at 30% for the full year, example.

So, we definitely look for further growth going into the next few years, supported mainly with multiple markets and also to a certain extent on the domestic side, even though on a limited scale basis.

So, all put together, it should be kind of a good situation going forward into the next 2 to 3 years. So, for now, that's what we can say. And as we also mentioned that currently, we have planned a volume of around roughly around 14,000 metric tons, but we need to see how that goes with other factors influencing our overall productions.

And because sales-wise, there's no issue. We are growing our order book. But then production is one part and also logistics continue to play a big deterrent with regard to equipment support, the vessels, the shipping vessels, schedules.

They are also playing a role, and we don't know how long that will last. We need to see how that goes by. But definitely, in the medium term and long term, with all these FTAs and the production capacities made being available, we are looking for a very positive growth into the future for sure, more on medium and long term. Even though short term, there are some hiccups with regard to all these other issues, logistical part and all that. Yes.

Moderator: Our next question comes from the line of Ashay with BTI Partners

Ashay: Just a quick couple of questions. I think despite you're getting maybe the approvals from the Europe market last year in the early half of FY26, I think on a quarterly basis, if we were to look at it, maybe we have almost a 30% degrowth in revenue from the Europe markets. Just what are you seeing on that front? And how are you seeing that maybe -- do you expect the revenue to grow a lot?

Chowdary Karuturi: Sorry, we do not have a degrowth with regard to the Europe market, if that's specifically you're asking about Europe?

Ashay: No, I just wanted to know, like, how you see this kind of growing going forward?

Chowdary Karuturi: No, Europe will continue to be one of the major markets for sure. And we definitely look forward to have a consistent growth, especially supported by the FTA also once it is in place. So currently, for the whole year, we have done 50% of our volume to the European Union, roughly around 50%. So that is a major part. And now in FY27, we look forward to growing back U.S. again. So that way, it should help the volumes growth in general.

Ashay: Okay. Perfect. And just another quick question. So if we look at another listed competitor of yours, Avanti Feeds, and just their processed shrimp business, I think this quarter, their revenue grew by almost around, I think, 22% Y-o-Y. And I think with similar margins. I think ours is -- like in the same time span, ours has maybe gone, like, a little down on, like, a net basis. Just how are you seeing that? Like is that purely because of the U.S. market being slow, maybe more exposure? Or yes, just how are you thinking of this?

Chowdary Karuturi: Well, it depends. We wouldn't be able to much comment on the products or volume of the different products, what they handle or the markets which they handle specifically. And also

their capacities, what different companies have, whether it is the A company, what you mentioned or it is some other B company. But at the end of the day, it also depends on the overall capacities and the products which they do.

In our case, specifically, we did have a little bit of issues in the beginning of Q4 in the month of January, especially. That definitely Jan and Feb almost. Our volumes actually picked up more in the month of March, to be precise, that helped us to this level. And we wouldn't really be able to comment on how & what they are doing or how much of it is which market, domestic, overseas. I'm not aware, not fully aware about it.

Ashay: Perfect. Chowdary, congratulations on a good quarter despite, like, a lot of the tailwinds, headwinds.

Moderator: Our next question comes from the line of Akshata Telisara from Aionios Alpha.

Akshata Telisara So there are a couple of articles saying that the farm gate prices have collapsed, and that's why even the Andhra Pradesh government has capped any feed price hike, and that's also taking an impact on the harvesting. Do you think you will have any raw material challenge going forward, given how the on-ground farm gate situation has been?

Chowdary Karuturi: Firstly, whether it is raw materials or any products, it's purely based on demand-supply situation. And we definitely appreciate the efforts of the government of Andhra Pradesh as well as Government of India as a whole in being supportive of the industry as a whole again. But at the same time, we also need to factor in the overall scenario with regard to international demand, which determines what is the volume which can be taken by us and also what can be sold.

Comparing India's farm gate pricing to many other countries, we are still higher, actually, at this point. And it could be that certain individual persons are not happy or whatever it is. But end of the day, definitely, we have information of our Indian farm gate prices overall being in a good level compared to other countries also in the present market scenario -- market situation.

However, of course, we wouldn't be able to comment on the feed part because we don't deal with the feed, but the government is advising everybody to be supportive of each other, and try to have a sustained growth of the industry as a whole.

But then as we stated just now, it is more of an overall demand-supply situation. And the prices what are being paid today are it's a similar scenario every year around this time, when the summer crop happens and when overseas customers also are aware of the harvesting seasons across all countries.

It is not a specific Andhra Pradesh problem or an India problem as such. So yes, that as I mentioned, we are definitely today, we are paying higher prices to the farmers in the country compared to many other countries. So that way, if we see, I think we are well placed in one way.

Moderator: Our next question comes from the line of Karan Gupta with CAVI Capital.

- Karan Gupta:** Yes, just one question. You've previously spoken about consolidating operations at the new facility. So, can you just give us an update on whether both facilities are currently operating or what is the plan there?
- Chowdary Karuturi:** Yes. Both of them are currently operating, yes. There were for some brief periods in last year, where there was a consolidation happening. But as we are in the summer crop and the arrivals are going to be in a consistent manner, we are utilizing both the capacities, both the facilities currently.
- Karan Gupta:** And then can you just tell us the current farm gate prices and your realizations for orders that you might have booked since the end of last quarter?
- Chowdary Karuturi:** Well, we would just say that we still have an average realization price of still holding at around level, \$9.5 per kilo roughly, approximately, but between market & depending on the products, what we do. And as far as the farm gate prices are concerned, on an average, it would be for the full year last year it was INR327.
- But at this time, currently, maybe it's around the same. Last quarter, Q4, it was INR348 for us, average. It will be around maybe INR340 this quarter, roughly, in the Q1. So to answer your question, it's roughly around INR340 average between all the sizes what we purchase and around \$9.5 roughly between all the sizes and products which we produce. Of course, we do have \$12 worth or \$10.5, \$11 also. But overall, the average pricing will be roughly for last year, it was, \$9.5 to \$9.7. But now currently, it is around \$9.1 per kilo, roughly around that.
- Karan Gupta:** So correct me if I'm wrong, our calculations show it was around INR840 a kilo in Q4. does that seem?
- Chowdary Karuturi:** That is in the INR830 for Q4, but that is in rupee terms. Yes, sorry. That is in rupee terms. Again, please understand that there's also a depreciation of the currency, which matters, right? Also, I mean, the currency movements also affect the realization in rupee terms. I was just giving you the dollar terms roughly, yes, around \$9.10, \$9.20, roughly around that level.
- Karan Gupta:** Okay. So for the current quarter, there's an approximately, say, 7% to 10% increase in rupee realization?
- Chowdary Karuturi:** We wouldn't know until the end of this quarter how it will be because we don't know what's going to happen next week with regard to the dollar or rupee movement, right? Please.
- Karan Gupta:** Fair enough. Okay. Thank you very much.
- Moderator:** Thank you. Our next question comes from the line of Tushar Tiwari with Finhouse Capital. Please go ahead.
- Tushar Tiwari:** Hi, thanks for the opportunity. Am I audible?
- Moderator:** Yes please.

- Tushar Tiwari:** Sir, just wanted to get some colour on the export benefit, whether this export benefit will continue in the future? And will it continue in the same incentive, percentage-wise? Any input on that perspective?
- Chowdary Karuturi:** Well, for now, as of now, what we understand is they will be continuing unless there is a policy change. But at the same time, please understand the benefits or incentive, what you claim. Currently, whatever benefits we get are purely on account of reimbursement of various indirect taxes paid during the making of the product.
- And it's not really as an incentive as such. It's more of a rebate of various duties and levies which were paid. So that, as of now, we believe that we understand there's no change in the policy. We believe it's going to remain around that level between that's between 5%, 5.5% to 6%. But that is subject to -- again, there are caps involved. And unless there is a change in the policy in term -- in between, we don't really see, any much of change on that account. So that is there for now. We don't know until there is any change in the policy as of now. So for now, it's there.
- Tushar Tiwari:** Okay. Thank you so much.
- Moderator:** Thank you our next question comes from the line of Bhaskar Kanrar with 3 Head Capital. Please go ahead.
- Bhaskar Kanrar:** Sir, can you clarify one more time our procurement cost and realization?
- Chowdary Karuturi:** So average procurement cost for the quarter Q4 FY26 was INR348. And average realization was INR830.
- Bhaskar Kanrar:** And my next question on Middle East crisis. Do you see any negative effect on our margin due to the Middle East crisis and logistics cost increased and logistics time also increased. Do you see any effect on our?
- Chowdary Karuturi:** There are some marginal costs on the freight. It's marginal for now. There has been a marginal increase on ocean freight, but because of the point what you have mentioned. But at the same time, we hope very soon they will stabilize. And more than the cost increase, it is becoming a little bit of challenge with regard to support from the shipping lines, with regard to the equipment, as they are not available and because of the crisis in the Middle East.
- So we just hope that they will get resolved soon, and we can have our shipments and, say, volumes going out, getting shipped out of the country in a much smoother way. So yes, there is a little bit of hiccups on the logistics part, which was also mentioned in the beginning that is there. We do hope that they get resolved soon.
- Bhaskar Kanrar:** Do you expect any improvement in Q1?
- Chowdary Karuturi:** Sorry. We as of now as stated there is equipment issues from the shipping lines, which definitely to a certain extent, they are impacting our shipments. So they're getting postponed. I mean, like, sometimes by 2, 3 days or by a week, that's all. So our shipments do get postponed by anywhere between, let's say, 3 to 5 days, which means it is spillover to the next week and that's what it is

happening currently. And equipment also, there are delays in giving those equipment. So that is how it is as of now.

Moderator: Thank you, sir. Our next question comes from the line of Sucrit D Patil with Eyesight Fintrade Private Limited. Please go ahead.

Sucrit D Patil: Good afternoon. I have two questions. The first question is I just want to understand the forward-looking guidance on what type of strategic levers are you prioritizing in FY26, '27 to expand the company's shrimp and seafood export footprint and to strengthen backward integration in aquaculture and manage risk from global demand cycles, regulatory transitions and forex volatility. That's the first question. I'll ask a second question after this?

Chowdary Karuturi: It was not really first question, it had many questions in that. Anyway, so the thing is going forward for FY26-27, we definitely as mentioned to the other participants, as far as growing our volumes are concerned, we are definitely betting high on the support of these FTAs and also opening up of new markets.

Now both our facilities, one after the other, are also getting approved for, newer markets like Russia also. So we are definitely looking on multiple fronts, not just the traditional markets which we depended on for many years. So we are looking at growing volumes in different markets by way of diversification, which has been the process over the past 1 to 2 years, which you see. So that is on the growth of volume.

Sucrit D Patil: Yes. My second question to Mr. Prasad is just want to understand what type of frameworks have been applied in '26, '27 to ensure accurate cost tracking, optimization, working capital for seasonal aquaculture cycles and maintain compliance with evolving accounting and export disclosure norms?

Durga Prasad: Sorry. Can you repeat once, please?

Sucrit D Patil: Yes. I just want to understand on accounts level action, any cost discipline, compliance and transparency modules been implemented that may safeguard Apex's financial credibility?

Durga Prasad: Yes. We are regularly following the IndAS compliances and disclosures also. Same way last year, as well as this year also.

Chowdary Karuturi: Yes. On the cost part, of course, we are definitely ensuring that there is a proper comparisons, which are being done and not restricting ourselves to limited supply source, not just on the raw material, but many other aspects. And apart from that, the efficiencies are the ones as far as how to grow on volumes and at the same time by trying to keep the cost to the minimal part as far -- now with regard to manpower and also utilization of the existing equipment and capacities which are already in place. That's what most of it is, yes.

Moderator: Thank you so much, sir. Ladies and gentlemen, that was the last question for today. I now hand the conference over to the management for the closing remarks. Thank you and over to you, team.

Chowdary Karuturi: Yes. Thank you, one and all, for making it to our investor call of Q4 and FY26. And we hope if you have any further queries and for clarifying, please, you can always reach out on the e-mail address, ir@apexfrozenfoods.com. Thank you very much and have a nice day.

Moderator: Thank you so much, sir. Ladies and gentlemen, on behalf of Apex Frozen Foods Limited, that conclude this conference. Thank you for joining us and you may now disconnect your lines.