APEX FROZEN FOODS LTD.

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Date: 19.11.2026.

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,
Bankdra (East), Mumbai - 400 051.
Scrip Symbol : APEX

Dear Sir/Madam,

Sub: Transcript of Q2&H1FY27 Earnings Conference Call held on 16th November, 2026-Reg.

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Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, kindly find enclosed a transcript of the Q2&H1FY27 Earnings Conference Call, which was held on 16th November, 2026.

The aforementioned Earnings Conference Call, as per the transcript enclosed, incorporates mainly the highlights of Un-Audited financial results of the 02nd Quarter and half year ended 30th September, 2026 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

Digitally signed by KARUTURI SUBRAHMANYA CHOWDARY
Date: 2026.11.19 11:19:30 +05'30'

Karuturi Subrahmanya Chowdary
Managing Director & CFO
DIN: 03619259

Encl: a/a

“Apex Frozen Foods Limited

Q2 & H1 FY27 Earnings Conference Call”

November 16, 2026

MANAGEMENT: **MR. KARUTURI CHOWDARY – MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER – APEX FROZEN FOODS LIMITED**

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

Moderator: Ladies and gentlemen, good day, and welcome to the Apex Frozen Foods Limited Q2 & H1 FY27 Earnings Conference Call.

As a reminder, all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need any assistance during this conference, please signal for an operator by pressing star followed by zero on your touch-down telephones. Please note that this conference call is being recorded.

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

Hrithik Hattiangadi: Thank you. Good morning, everyone, and thank you for joining us today. We have with us today Mr. Chowdary Karuturi, Managing Director and Chief Financial Officer of Apex Frozen Foods Limited on the call. The management will be sharing the key operating and financial highlights for the quarter and half year ended 30th September 2026, 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.

Karuturi Chowdary: Thank you. Good morning, everyone, and thank you for joining us on this investor call for Q2 & H1 of FY27. We have uploaded the investor presentation on the website of the stock exchanges, and we do hope that you have had a chance to go through it.

The Q2 of FY27 was a quarter of an encouraging top line momentum, mainly marked by growth in sales volumes and steady realizations on one hand, while elevated farm gate prices and higher freight costs as well as the exceptional antidumping duty provision, which was recommended by the Audit Committee had impacted the profitability on the other hand.

Against this backdrop, our total shrimp sales volumes grew 14% year-on-year and 13% quarter-on-quarter to 2,973 metric tons in Q2 of FY27. The average shrimp realization stood at INR874 per kilo in the Q2 of FY27 compared with INR870 per kilo in Q2 of FY26.

In terms of profitability, the Q2 of FY27, EBITDA margins were impacted by higher farm gate prices and freight costs, mainly in regard to the global scenario with regard to the freights, the war situation and also that increasing crude oil pricing.

Additionally, the company has also recognized a provision of INR10.10 crores in the Q2 of FY27 towards incremental antidumping duty liability totaling of roughly approximately around INR30 crores. This is pertaining to the earlier years, and it is actually a contingent liability.

But however, in discussions with the Audit Committee and the auditors, the company has taken a decision to make provision for it in the current year because this was mainly attributed to the revision of the ADD rates from 1.35% to 3.76% and subsequently to 5.53%.

These were as per the final determinations by the U.S. Department of Commerce. The company, of course, has filed an appeal before the Court of International Trade in U.S.A. However, considering the uncertainty and the -- in fact, the company is expecting that to be reduced, those rates to be reduced.

However, as a prudent accounting measure, the provision had to be made after deliberations and discussions within the Audit Committee. Despite these challenges during the quarter, we delivered a strong half yearly performance with profitability supported by higher realizations, a recovery in volume in Q2 and continued cost efficiency measures.

Profit before tax and exceptional items grew by 60% year-on-year to INR42 crores compared with INR26 crores in the first half year of FY26. Furthermore, even after absorbing the antidumping duty charge in the Q2, profit after tax increased by 13% year-on-year to INR24 crores in H1 of FY27 compared with INR21 crores in the corresponding period last year.

Coming to our geographical mix, the shrimp sales volumes to the U.S.A. grew 59% year-on-year and remained flat quarter-on-quarter in Q2 of FY27 mainly this is supported by the improving trade visibility and the healthy customer demand.

This is mainly in the U.S. case; it is mainly attributed to the stabilization of the tariff rates from the beginning of this year. So that subdued demand from U.S.A. of last year has kind of marginally, it has increased and improved actually. However, our diversification plans are continuing. There is no change in that.

And definitely, with regard to the present circumstances of the global uncertainties and with the evolving trade environment, of course, U.S. still continues to be a key market for Apex, and we remain well positioned to capitalize on opportunities in this market as well as the new potential opportunities which are coming up from other markets also, including countries like Japan, and now we also expect some movement from the Middle East, especially, which is, of course, which we would know more in 2027.

And with regard to the EU and the U.K. markets, which is our major second largest markets for us, the sales volumes, of course, have declined 33% year-on-year due to the earlier transportation disruptions.

However, volumes recovered strongly by 46% quarter-on-quarter in Q2 of FY27 as logistics conditions began to improve, although some challenges do persist where the sailing time to the European countries also has increased as the vessels go around the Cape of Good Hope. And anyway, these markets do continue to remain an important part of our diversified export portfolio, which we have been emphasizing for the past 3 to 4 quarters.

Coming to our other markets, our expansion is into the newer geographies is definitely gaining traction. In the Q2 of FY27, volumes to other markets, mainly supported by Japan, as mentioned,

grew approximately almost 1,000% year-on-year and 43% quarter-on-quarter, albeit on a small base.

Coming to the sales volume mix, the U.S.A. contributed 62% of our total shrimp sales in Q2 of FY27 and 66% in the H1 of FY27. The EU and the U.K. accounted for 32% in the Q2 of FY27 and 29% in the H1 of FY27, while other markets contributed 6% in the Q2 of FY27 and 5% in the H1 of FY27. We continue to focus on expanding our presence across markets to build more diversified and resilient business.

Alongside geographical diversification, we continue to strengthen our product mix with a higher share of value-added and ready-to-eat products, which garner higher realization and margin.

And we are also seeing that in the case of the new market, which we have started -- restarted again after 20 years, that is Japan, where we are also working on ready-to-eat products with certain customers in Japan also, and we expect our first shipment to be happening in early 2027, supposed to be in January or February. We are still working, we are discussing with the customers on that.

Now coming to our financial performance for Q2 and H1 of FY27. In the Q2 of FY27, net revenue grew 15% year-on-year to INR274 crores compared with INR238 crores in the Q2 of FY26. EBITDA remained flat year-on-year at INR18 crores with EBITDA margin at 6.4% compared with 7.2% in the Q2 of FY26, as mentioned earlier, reflecting the impact of mainly the higher farm gate prices due to subdued supply conditions, in the later part of the Q2 in August and September month.

The profit before tax and exceptional items also remained flat year-on-year at INR13 crores. Profit after tax stood at INR2 crores in the Q2 of FY27 compared with INR12 crores in the Q2 of FY26. The lower PAT in the Q2 of FY27 was primarily due to the exceptional item, which we have already covered earlier.

For the H1 of FY27, the net revenue grew 7% year-on-year to INR530 crores compared with INR497 crores in the H1 of FY26. EBITDA increased 40% year-on-year to INR51 crores compared with INR36 crores in H1 FY26, with EBITDA margin expanding to 9.4% from 7.1% in H1 of FY26. PAT increased by 13% year-on-year and to INR24 crores in H1 of FY27 compared with INR21 crores in the corresponding period last year.

Coming to the balance sheet, we continue to maintain a lean financial position with debt levels prudently managed and at comfortable levels, reflected in a debt-to-equity ratio of 0.04x as of September 2026. Our focus remains on disciplined working capital management and maintaining a healthy balance sheet as the business scales.

With that, I think we would like to conclude our opening remarks and reiterate that our diversified market presence, focus on value-added products and established manufacturing capabilities and available capacity, we remain well positioned to capitalize on the improving market conditions and drive sustainable growth going forward.

I think we can now open the floor for a question-and-answer session. Thank you very much.

Moderator: Thank you very much, sir. Ladies and gentlemen, we will now begin with the question-and-answer session. The first question is from the line of Saiguhan an individual investor.

Saiguhan: Sir, if INR, let's say, appreciates against the USD, let's say, to around INR89, INR90 is what being kind of expected right now. I mean we cannot predict it, but let's say, at least forecast it. How would it affect our revenues?

Karuturi Chowdary: See, obviously, as you would be aware that ours is an export-driven business. And obviously, the currency fluctuations do have an impact. At the same time, these currency fluctuations have a bearing on both on our sales prices, which is, of course, has a demand perspective also added to that.

And at the same time, our farm gate prices, which are mostly determined based on the realization from overseas in INR. So, in an appreciating, rupee appreciating scenario, like you have mentioned about INR90 supposedly or whatever it is, obviously, that will have a bearing on our farm gate prices predominantly because we will not be, the export industry would not be in a position to maintain the farm gate pricing, number one.

Number two, like how our customers in other countries other than U.S.A. also have an impact on foreign currency exchange rate fluctuations. Similar way, like in the case of euro, there are certain changes which are happening. Same way when Indian rupee appreciates, obviously, we all have a bearing to a certain extent even on the sale price. So, our continued focus would be in increasing the volume, obviously.

And that should take care of any revenue issues because of any exchange rate-related issues because we believe a stronger rupee, the first impact will be at the farm gate level, which subsequently, we will also be focusing on our unit value at which we are selling to our customers. So, we don't really, as I said, it's mostly because it is export driven. So that's how it is going to be.

Saiguhan: Understood. Another question is regarding the EU FDA. When do we start seeing the benefits of EU FDA or our, let's say, business?

Karuturi Chowdary: We expect that we were informed that tentatively by early 2027, hopefully, we can get that benefit by early 2027, which means at least by the end of this financial year or for sure from the start of next financial year, as informed to us, we should be able to do our exports to EU at 0% tariffs on shrimp products.

That's what we have been told, but we don't know the final outcome of that as we have tentatively been informed that we are going to start with 0% tariff on shrimp imports into EU from day 1, it gets effective. So, we hope that is sometime in early 2027 as informed to us. So, we are eagerly waiting for that so that we can increase our business even more with the EU, which will no longer be subject to any tariff barriers. And hopefully, even any non-tariff barriers are there, those also would be taken care by the government authorities.

Saiguhan: Okay. What is the current tariffs for the EU?

Karuturi Chowdary: It's 4.3%, which the importers, our customers do bear, 4.3% on RTC and 7.2%, I think approximately, it is on RTE, which they are bearing currently, which puts us in a difficult situation when compared to our competition in Vietnam, especially.

Moderator: The next question is from the line of Nilesh Patil from Share India Securities.

Nilesh Patil: Good set of volume numbers. Firstly, on the target that we have set for FY27, about 12,000 metric tons. So, considering the H1 performance of about 5,500 metric tons, so how do you see H2 panning out? And are we kind of confident that we'll continue to maintain that 12,000 metric tons volume guidance?

Karuturi Chowdary: We are still remaining positive at this time to reach the 12,000 metric tons. Maybe even if there is any bit of minor adjustments, even if we are under a little below 12,000 still confident. We remain positive. But at the same time, the supply definitely has a bearing. We understand over the past 2 weeks, we have been seeing impacts of different cyclones hitting the East Coast of India, especially unfortunately, the state of Andhra Pradesh is being hit definitely.

And there is an expectation of another cyclone hitting later in this week. So, we need to see the impact of that. And at this point, we do have a stable supply, but then there has also been a considerable amount of damage, which has been done by the last cyclone, which was there around, I think, around 10 days ago.

So, we are looking to see how that goes by. But we definitely, with the capacities which we have in place and also the order book, which is there, we will be able to look forward. We are looking forward to reach that number for sure. But if the supply really takes a drastic hit because of any sort of massive damages because of the cyclones, that definitely has a bearing. So yes.

Nilesh Patil: Yes. Understood, sir. But ex of this natural calamities, if I have to say if the TAM is increasing, more or less, we are entering, we are having geographical diversification, adding new markets. So, is there any kind of positive kind of thing that we can say despite the natural calamities, we can scale past this 12,000 tons mark only due to the diversification or we can say that barely will touch that 12,000 tons mark?

Karuturi Chowdary: I mean, yes, if there is no issues in regard to the supply because of any major destruction, if major destruction doesn't take place and supposedly the farmers' infrastructure, I mean, doesn't get affected and they continue to go for seeding, we should be able to reach between that 11,500 tons to 12,000 tons for sure.

But crossing 12,000 metric tons, definitely in the present situation, what we understand on the impact of the cyclones, where some of our farmers actually have lost some crop to a certain extent. So, we are in fact, they have been harvesting in, unfortunately, smaller sizes, premature harvests have been happening also simultaneously.

So, we are looking to get further clarity of the extent of impact, which is there. So but otherwise, yes, as far as the order book and diversified markets, we are able to have good foresight on the orders. There could be pressure, obviously, on the pricing unit value in dollar terms because of

inflationary pressures across the world where there is a subdued demand in certain areas, for example, food services going in one way and retail.

So, we would be observing that cautiously. But as far as demand overall, it is concerned between all the markets, it is fine. I mean, like you rightly said, since we have diversified, and we are continuing to diversify. We don't really see a big issue.

Nilesh Patil: Yes, understood. And so now that the farm gate prices are rising on an inflationary trend, so have we been able to kind of pass it on or more or less the realizations are likely to remain stable there itself?

Karuturi Chowdary: We have actually passed on some of the increase in farm gate prices to overseas customers to some extent. But at the same time, we all have to acknowledge that India is not the only producing country in the world. And obviously, there are countries like Ecuador, which produces more than us and Vietnam, Indonesia. They all have a bearing on the overall market. We were able to pass it on to a certain extent.

The other important point is definitely the tariff of 10% in the U.S.A. is obviously playing a big role because currently, even if the overall pricing to customers comes down by even by 5%, that could have a good bearing on the demand and volumes as informed to us by some of our customers in the past month.

But unfortunately, the tariff does play a little bit of a spoil sport in compressing or sorry, restricting the demand, stable demand. So that is in the U.S. specifically. But again, the last few weeks, the more because of the cyclone impact and some panic harvests, the farm gate prices also have come down significantly. in the last few weeks, but that will be a short-lived scenario because, as I told you, premature harvest means a stable product going away from the market for that crop. So that is the scenario.

Nilesh Patil: Okay. Understood. And you mentioned some about the freight cost remaining higher due to the vessels and the war-related issues, better vessels not getting timely reaching out there at the kind of the counterparty. So, do you see any kind of improvement into, we can say, Q3 up till now that we can say there can be any scope for reduction in freight cost and which can boost the margins or the problem has continued more or less particularly towards European Union?

Karuturi Chowdary: Unfortunately, with one war after other, especially impacting the Middle East area. So, the vessels are avoiding taking those routes, and they are taking a longer route. In fact, our customers are getting their shipments also much later than what they used to get earlier and also adding up the freight cost to us.

As of now, we do not, obviously, we do not have any foresight on what the war situation is going to be or whether it will come to an end soon. But definitely, it is impacted, and we did not see any positive news from the shipping lines as of now.

So, they have been increasing. But hopefully, if the crude oil price, as we mentioned in our opening remarks, if the crude oil prices come down and the shipping lines affect that, and definitely, our freight costs also will be coming down because one of the main aspect of increase

in ocean freight was attributed to the crude oil increase. So that definitely had a bearing on how the shipping lines have started charging us higher in the past 2 to 3 months, actually.

Nilesh Patil: Okay. And you mentioned about Japan in a bit that early start 2027, the RTEs shipment will be there. So how do you see Japan market kind of, how big can it be for Apex and the other markets, Russia and whatever other markets we are exploring, how big they can be? Is it that the U.S. pie will come down and more or less, it will be in line with what EU is contributing at the moment?

Karuturi Chowdary: See, with regard to Japan, we have been informed by our customers that they have been actually buying ready-to-eat from Vietnam, especially and Thailand. And they have informed us that they are willing to explore that.

They have also seen some of our operations in the recent past in regard to RTE, whether we are able to meet their spec or not. And they have given us some positive information that they would want to start. And we also asked them to start in a phased manner and so that we can grow that business.

But definitely, as you know very well, RTE is having a better value than RTC products, obviously. And it will definitely help us in growing our sales revenue with a higher realization in dollar terms, of course. And also, margin would be on a better level compared to some of the commoditized RTC products, which usually go to the Asian markets. And I'm sorry, I didn't understand the second part of your question. You were saying something regarding EU.

Nilesh Patil: Yes. So, I just wanted to understand the other regions that we qualify -- that we count as a geographical mix, how its proportion is likely to be, it be 10%, 15% of the overall pie or there is scope for further increase in it?

Karuturi Chowdary: We believe the EU we will continue to maintain a strong presence. We understand that we are one of the largest to the Northwestern Europe. We understand from some market segments. And we would be focused in, yes, as far as FX is concerned, exporting from India to the Northwestern European region. But at the same time, we want to grow that even further in volume terms and not just confined to RTC, but also in RTE, which we are doing.

But we are eagerly waiting, as I think we have informed to an earlier participant, we are eagerly waiting for the FDA to get effective so that we can boost our RTE sales even further. Russia, as far as Russia is concerned, we are waiting for the listing to happen there. I think it's moment maybe anytime soon, all the concern work is done.

But we are having, as we have mentioned in our earlier con calls, we reiterate that we are having a big expectation from the EU market post the FDA being effective. Our company is specifically betting high on the EU market.

Nilesh Patil: Understood. So sir...

Moderator: I'm sorry to interrupt, sir, could you return to the question queue?

Nilesh Patil: Yes, sure.

Moderator: The next question is from the line of Devansh Mehta.

Devansh Mehta: So, there are a few questions that I had. So, given the improvement in the product mix and increasing contribution from the value-added products, how do we see the company's realizations and profitability evolving over the medium term?

Karuturi Chowdary: If we continue to grow more on obviously, like you rightly mentioned on the ready-to-eat products, the more we continue to grow irrespective of which market we do for. For example, we never expected to do RTE into the Asian markets, which now we are getting more information on that and other Asian competition is already doing that.

There is a good potential there. And this is in specific to RTE Ready-To-Eat products. And obviously, any volume being done under the RTE category to whichever market it is, definitely has a better realization scope to increase the realization as well as on the margin front, obviously. So that is something which came to us as a surprise.

And there are some other products also in RTC for Japan, especially, where the customers also have agreed to work with us, which they are currently mostly sourcing from, we understand, Thailand and Vietnam, mainly and some from Indonesia.

But we said we would also want to work in that direction, too. This is in regard to Japan, especially. Yes, we are very confident on that. And it's a good thing for us that we are able to, I mean, sell more, if we can sell and if we can build that strong volume of RTE products, not just to the U.S.A. and European Union markets, but even some of the Asian markets, that's a very good thing for us in general for better realizations and better margins, obviously.

Devansh Mehta: Right, sir. So, you talked about exports and customers. So, what is the expected contribution from existing customers? And what are we expecting in terms of like, let's say, percentage in terms of increase in the new customers?

Karuturi Chowdary: Well, obviously, the newer markets will come with newer customers, obviously, and that is we have been adding them, whether it's some of them in East Europe and in Japan. And hopefully, by end of December, we also -- we can add up to our order book for Russia also. We just hope and do the shipments sometime in the Q4, we are expecting that. Obviously, we'll be adding more customers. But at this time, obviously, the existing customers will have the major business, obviously.

They will contribute to the major part of our sales. And the most important thing is our customers are also distributors who are holding inventories for the end customers of retail and food service.

So, we are also working on some new products with some of our customers. So that is something which is an ongoing process, which has been happening for almost a decade and some of them, we are able to develop those new products. But however, the growth of those new products in a consistent manner totally depends on the end customers' ability to promote them and how they take it in the market, which is beyond our control. We will not be able to have a bearing on that, unfortunately.

Devansh Mehta: Right, sir. So, you talked about deliveries and export markets and increasing in different regions. So sir, I wanted to know what is the typical order execution cycle and because of the current geopolitical situations and everything, are there any changes in the delivery schedules or something like that?

Karuturi Chowdary: Currently, with regard to the EU, of course, because of certain non-tariff barriers and also certain issues within India with the regulatory bodies, it does take a very high time, a very high amount of time to actually execute a shipment post production. Now currently, it is going anywhere between 2 to 3 weeks post production to actually ship out goods to the EU, mainly more because of certain issues in the Indian agencies which are involved.

And that is actually stretching even the overall inventory holding period also for the company. But of course, in the case of U.S.A. or even other countries, it doesn't take that much time.

But we believe when it comes to EU and U.K., this is it's taking quite a lot of time for executing those shipments. But that will continue to be there unless some things, some steps are taken by Government of India, which we hope they will be addressing it over the next 1 year as the FDA also starts getting effective and to provide ease of doing shipments post production, we hope, and we expect that they would do it.

Moderator: The next is a follow-up from the line of Saiguhan.

Saiguhan: Follow-up is regarding like the previous answers for the previous participants. I see you've mentioned a lot of moving points. So, what I witnessed is there are a lot of moving points or moving parts for our company, let's say, to increase margins and as well as maintain volumes or even increase volume, right?

So, what are a few things which you think which have to go in our way, let's say, like the freight costs have to come back, tariffs and everything. What are a few things which you think have to happen for us to, let's say, get back on track?

Karuturi Chowdary: Well, see, freight is something which is beyond any company's control or even ocean freight, which is dealing with global issues, it's more of a market scenario depending on the fuel costs and certain geopolitical issues which are prevailing. However, for us, I think what, even as a country or even as a company specific, it's more to do with how these engagements or negotiations are happening between governments and how soon they can get resolved so that the right climate can be provided.

This is something which, of course, is totally under people's control where the people who are involved in the negotiations and discussions. So, for example, if an FDA is signed and it takes almost an year or more almost 9 months to 1 year, that, of course, it keeps dragging the positive environment to get effective.

So definitely, those measures from the government side will definitely be positive. That was on the sales part. But with regard to whether it is in nobody's control. But as you know very well, cyclones or flooding nobody is immune to those. And farms when they get affected, if they get affected and when they get affected, they do have a bearing.

If a particular region gets affected because of flooding, obviously, the shrimp or the product produced, which is there, it gets totally removed from the market, the system. And that definitely has a bearing not just on the company specific, but also the overall industry. But we need to see how that goes by. We can't really predict that. But as I told you, free trade agreements, the sooner they get effective and the more positive it is by removing non-tariff barriers, they will definitely help the industry as well as the company as a whole.

Moderator: The next question is from the line of Deepak Karwa.

Deepak Karwa: Congratulations on recent quarter, sir. So, I had a query. Could you please provide some perspective on the key factor driving the company margin performance?

Karuturi Chowdary: In the case of the major role, which was playing, obviously in the margins was, of course, the the farm gate pricing was one aspect. Apart from that, our cost measures which we have been doing our best apart from the various diversification in the product portfolio, that is another part which does help us significantly.

And what we have seen this year is we have been doing some very high-end products also, but then that is also creating a limitations actually on the capacity utilization on certain lines which we have, which we have noticed. However, we need to do all sorts of products to cater to different customers at different times of the year, depending on the needs.

Typically, September, all these months, it will be a bit kind of slow overall in the market in the U.S., especially Labor Day to Thanksgiving usually. But holidays, again, Christmas and New Year are a big time for consumption. So, I mean, I'm just saying on the demand perspective in the U.S. But for us, mostly value-added products only is a key driver. The more volume we do in that is what we can grow our margins in a concrete manner in a stable manner.

Deepak Karwa: So, like a follow-up on this, like should investors view the sustainability of current EBITDA margin over the medium term?

Karuturi Chowdary: Well, the EBITDA margins, to be precise, we had a better expectation, to be precise, we had a better expectation on that than what we have achieved during the quarter. But obviously, this year also with various issues in the overall commodity pricing, the cost of the feed, whatever, different issues.

And even in India, the overall supply getting stagnant or very much reached a level beyond which it's not growing. I'm talking about farm level production. So obviously, that is having an impact because as you can see, the farm gate pricing increasing by almost 15%, 20%, even for a brief period of, let us say, 2 months or 3 months.

That definitely has a bearing because export markets drive the farm gate prices once as they are realized in Indian rupees. However, there are times where the overall demand within India increases the farm gate prices and slowly, it creates an impact even at the sales prices later, even though there will be a delay.

But then there are certain periods where the farm gate prices are significantly higher, and that creates an impact on the margins. But at EBITDA level, we have expected it to be more much better to be precise. And there were an increase of farm gate prices significantly in the months of August, September for that quarter, it extended to spill over to some period in October also. But after that, a major correction did happen in the farm gate prices in the month of October. It's good for us for the processes.

That is a good thing. But well, how long that would last because of these cyclone issues and all that, which we have mentioned to the earlier participant similar. Yes. So but overall, I mean, after second quarter, it was a very good and very much required correction, which was required, and it did happen very well. It happened very well actually at the farm gate level in the month of October.

But we need to see how long that would be sustaining. I mean this is the key part which definitely has a bearing on our EBITDA levels, right, apart from our costs and ocean freight costs.

Ocean freight costs did go up but it's not like what we have experienced during the pandemic. So, it's not that bad. But definitely, it is kind of a disturbance for us in the costs because end of the day, the customers are, as we mentioned earlier, they buy from different geographies. Freight cost from India may significantly increase. It may not increase the same from Ecuador example.

I'm just giving you an example. So, this also has a bearing on what the customers are willing to pay even if our freight costs have gone up. So, we are anyway, we are working with them, and we believe we would be continuing to work on stabilizing our margin levels, EBITDA levels.

Moderator: As there are no further questions from participants, I now hand the conference over to Mr. Chowdary Karuturi for closing comments.

Karuturi Chowdary: Yes. Thank you, everyone, for making it to our Q2 & H1 of FY27 investor call. Should you have any further queries or require any clarifications, do feel free to reach out to us at ir@apexfrozenfoods.com. You may also connect with Stellar IR Advisors, our Investor Relations advisers, who will be happy to assist you with any queries or additional information. Thank you once again for your time and participation. Have a great day.

Moderator: Thank you very much, sir. On behalf of Apex Frozen Foods Limited, that concludes this conference call. Thank you all for joining, and you may now disconnect your lines. Thank you.