

STATEMENT OF SPECIAL TAX BENEFITS

**STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO MUKKA PROTEINS LIMITED
("THE COMPANY") & THE SHAREHOLDERS OF THE COMPANY UNDER THE DIRECT
AND INDIRECT TAX LAWS IN INDIA**

To,

The Board of Directors
Mukka Proteins Limited,
Door No.18-2 16/4,
First Cross, NG Road,
Attavara Mangaluru-
Dakshina Kannada
575001, India

Dear Sirs,

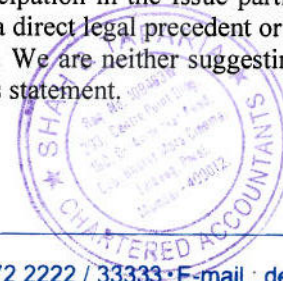
Re: Proposed initial public issuing of equity shares of face value of Rs. 1 each (the "Equity Shares") of Mukka Proteins Limited (formerly known as "Mukka Sea Food Industries Limited") (the 'Company') (the "Issue")

Sub.: Statement of Possible Special Tax Benefits available to the Company, its equity shareholders under the direct and indirect tax laws

We refer to the proposed initial public issuing of equity shares (the "Issue") of the Company. We enclose herewith the statement (the "Annexure") showing the current position of special tax benefits available to the Company, to its shareholders as per the provisions of the Indian direct and indirect tax laws including the Income-tax Act, 1961, ("Act") the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 (collectively the "GST Act"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act") (collectively the "Taxation Laws") including the rules, regulations, circulars and notifications issued in connection with the Taxation Laws, as presently in force and applicable to the assessment year 2024-25 relevant to the financial year 2023-24 for inclusion in the Red Herring Prospectus ("RHP") & Prospectus for the proposed initial public issuing of shares of the Company as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations").

Several of these benefits are dependent on the Company or its shareholders or its subsidiaries fulfilling the conditions prescribed under the relevant provisions of the direct and indirect taxation laws including the Income-tax Act 1961. Hence, the ability of the Company or its shareholders or its subsidiaries to derive these direct and indirect tax benefits is dependent upon their fulfilling such conditions.

The benefits discussed in the enclosed Annexure are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Company. This statement is only intended to provide general information to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultants, with respect to the specific tax implications arising out of their participation in the Issue particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. We are neither suggesting nor are we advising the investors to invest or not to invest money based on this statement.



The contents of the enclosed Annexure are based on the representations obtained from the Company and its subsidiaries and on the basis of our understanding of the business activities and operations of the Company and its subsidiaries.

We do not express any opinion or provide any assurance whether:

- The Company or its Shareholders or its subsidiaries will continue to obtain these benefits in future;
- The conditions prescribed for availing the benefits have been/would be met;
- The revenue authorities/courts will concur with the views expressed herein.

This statement is provided solely for the purpose of assisting the Company in discharging its responsibilities under the ICDR Regulations.

We hereby give our consent to include this report and the enclosed Annexure regarding the tax benefits available to the Company, its Shareholders and its Subsidiaries in the RHP for the proposed initial public issue of equity shares which the Company intends to submit to the Securities and Exchange Board of India and the National Stock Exchange of India Limited and BSE Limited (the "Stock Exchanges") where the equity shares of the Company are proposed to be listed, as applicable, provided that the below statement of limitation is included in the RHP and Prospectus.

We also consent to the references to us as "Experts" as defined under Section 2(38) of the Companies Act, 2013, read with Section 26(5) of the Companies Act, 2013 to the extent of the certification provided hereunder and included in the Red Herring Prospectus, Prospectus, the Preliminary International Wrap/issuing Memorandum, the Abridged Prospectus and any other addendum thereto of the Company to be submitted/filed with the Securities and Exchange Board of India ("SEBI"), the Registrar of Companies, Bangalore ("ROC") and the stock exchanges, or any other material (including in any corporate or investor presentation made by or on behalf of the Company) to be issued in relation to the Issue (together referred as "Issue Documents") or in any other documents in connection with the Issue

All capitalized terms not defined hereinabove shall have the same meaning as defined in the Issue Documents.

For **Shah & Taparia**
Chartered Accountants
Registration No. 109463W



Bharat Joshi
Partner
Membership No. 130863
Place: Mumbai
Date: 3rd January, 2024
UDIN: 24130863BKBOXN2880





Mukka Proteins Limited

(Previously known as 'Mukka Sea Food Industries Limited / 'Mukka Sea Food Industries Private Limited)



ISO 22000
Certified Company

ISO 9001 : 2015
Certified Company

ANNEXURE TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO MUKKA PROTEINS LIMITED ("COMPANY"), THE SHAREHOLDERS OF THE COMPANY ("SHAREHOLDERS") APPLICABLE TAX LAWS IN INDIA

Outlined below are the special tax benefits available to the Company and its shareholders under the Income Tax Regulations within and outside India. These possible special tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant Acts.

Under the Income Tax Act, 1961 ("the IT Act")

A. Special tax benefits available to the Company

(i) Concessional corporate tax rates - Section 115BAA of the IT Act

The Taxation Laws (Amendment) Act, 2019 introduced section 115BAA wherein domestic companies are entitled to avail a concessional tax rate of 22% (plus applicable surcharge and cess) on fulfillment of certain conditions. The option to apply this tax rate is available from Financial Year ('FY') 2019-20 relevant to Assessment Year ('AY') 2020-21 and the option once exercised shall apply to subsequent AYs. The concessional rate is subject to a company not availing any of the following deductions under the provisions of the IT Act:

- Section 10AA: Tax holiday available to units in a Special Economic Zone.
- Section 32(1)(iia): Additional depreciation;
- Section 32AD: Investment allowance.
- Section 33AB/3ABA: Tea coffee rubber development expenses/site restoration expenses
- Section 35(1)/35(2AA)/ 35(2AB): Expenditure on scientific research.
- Section 35AD: Deduction for capital expenditure incurred on specified businesses.
- Section 35CCC/35CCD: expenditure on agricultural extension /skill development. Chapter VI-A except for the provisions of section 80JJAA and section 80M.

The total income of a company availing the concessional rate of 25.168% (i.e. 22% along with surcharge and health and education cess) is required to be computed without set-off of any carried forward loss and depreciation attributable to any of the aforesaid deductions/incentives. A company can exercise the option to apply for the concessional tax rate in its return of income filed under section 139(1) of the IT Act.

Further, provisions of Minimum Alternate Tax ('MAT') under section 115JB of the Income Tax Act, 1961 (" the IT Act") shall not be applicable to companies availing this reduced tax rate, thus, any carried forward MAT credit also cannot be claimed.

The provisions do not specify any limitation/condition on account of turnover, nature of business or date of incorporation for opting for the concessional tax rate. Accordingly, all existing as well as new domestic companies are eligible to avail this concessional rate of tax.

Mfrs. & Exporters of Steam Dried Fish Meal, Fish Oil & Fish Soluble Paste

Factory : D. No. 14-161 to 164, Sasihithlu Road, Mukka, Mangaluru - 575021. Karnataka, India

Office : Mukka Corporate House, Door No. 18-2-16/4, First Cross, NG Road, Attavara, Mangaluru, Dakshina Kannada, Karnataka, India - 575001

☎ : (0) +91 824 2420772, 2442889, 4252889 | Fax : +91 824 2426405

E-mail : info@mukkaproteins.com - Website : www.mukkaproteins.com - CIN : U05004KA2010PLC055771



Note: The Company has already opted for the concessional tax rate benefit for the FY 2019-20 relevant to the AY 2020-21 as mentioned in the Section 115BAA for which declaration in form 10IC has already been filed with the income tax authority.

Company eligible for Section 115BAA deduction:

1. Mukka Proteins Limited

(ii) Deductions in respect of employment of new employees Section 80JJAA of the IT Act

As per section 80JJAA of the IT Act, where a company is subject to tax audit under section 44AB of the IT Act and derives income from business, it shall be allowed to claim a deduction of an amount equal to 30% of additional employee cost incurred in the course of such business in a previous year, for 3 consecutive assessment years including the assessment year relevant to the previous year in which such additional employment cost is incurred.

The eligibility to claim the deduction is subject to fulfillment of prescribed conditions specified in sub-section (2) of section 80JJAA of the IT Act.

Company eligible for Section 80JJAA deduction:

1. Mukka Proteins Limited

(iii) Deduction in respect of certain inter-corporate dividends Section 80M of IT Act

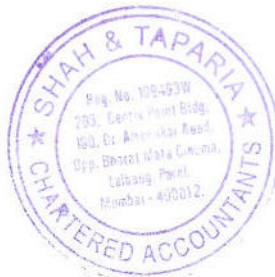
As per Sec 80 M of the IT act, where domestic companies that have declared dividend and are also in receipt of the dividend from another domestic company or a foreign company or a business trust, deduction is allowed with respect to the dividend received as long as the same is distributed as dividend one month prior to the due date of furnishing the return of income under sub-section (1) of section 139.

Company for Section 80M deduction:

1. Mukka Proteins Limited

B. Special tax benefits available to the shareholders.

There are no special tax benefits available to the shareholders of the Company under the IT Act.



Notes:

1. The ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.
2. The special tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.
3. The Statement has been prepared on the basis that the shares of the Company are listed on a recognized stock exchange in India and the Company will be issuing shares.
4. The Statement is prepared on the basis of information available with the management of the Company and there is no assurance that:
 - the Company or its shareholders will continue to obtain these benefits in future;
 - the conditions prescribed for availing the benefits have been/ would be met with; and
 - the revenue authorities/courts will concur with the view expressed herein.
5. The above views are based on the existing provisions of law and its interpretation, which are subject to change from time to time.
6. The above Statement of Special Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.



A handwritten signature in black ink, appearing to read "Kalandan".

For and on behalf of Mukka Proteins Limited
Kalandan Mohammed Althaf
Chief Financial Officer (CFO)
Place: Mangalore
Date: 02-01-2024





Mukka Proteins Limited

(Previously known as 'Mukka Sea Food Industries Limited / 'Mukka Sea Food Industries Private Limited)



ISO 22000
Certified Company



ISO 9001 : 2015
Certified Company

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO MUKKA PROTEINS LIMITED (THE "COMPANY"), ITS SHAREHOLDERS UNDER THE APPLICABLE INDIRECT TAX LAWS IN INDIA

Outlined below are the special tax benefits available to the Company and its shareholders under the Indirect Tax Regulations within India. These possible special tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the Indirect Tax Regulations.

(A) Special tax benefits available to the Company under Indirect Tax Regulations in India

(i) Benefits under the Central Goods and Services Act, 2017, respective State Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017 (read with relevant Rules prescribed thereunder)

Under the GST regime, all supplies of goods and services which qualify as export of goods or services are zero-rated, that is, these transactions attract a GST rate of zero per cent.

On account of zero rating of supplies, the supplier will be entitled to claim input tax credit in respect of input and input services used for such supplies and can seek refund of accumulated/unutilized ITC.

There are two mechanism for claiming refund of accumulated ITC against export. Either person can export under Bond/ LUT as zero-rated supply and claim refund of accumulated input tax credit or person may export on payment of integrated Goods and Services Tax and claim refund thereof as per the provisions of Section 54 of CGST Act, 2017.

Thus, the GST law allows the flexibility to the exporter (which will include the supplier making supplies to SEZ) to claim refund upfront as integrated tax (by making supplies on payment of tax using ITC) or export without payment of tax by executing a Bond/LUT and claim refund of related ITC of taxes paid on input and input services used in making zero rated supplies.

Till December 2020, the company has undertaken export of services with payment of tax. Thereafter, the company is exporting the services without payment of integrated tax under the option of LUT. Further, GST refund of accumulated input tax credit in relation to input and input services will also be available to the company on account of zero-rated supplies.

Company eligible for benefits in GST Laws:

- 1) Mukka Proteins Limited

(ii) Benefits of Duty Drawback scheme under Section 75 of the Customs Act, 1962:

As per Section 75 of the Customs Act, the Central Government is empowered to allow duty drawback on export of goods, where the imported materials are used in the manufacture of such goods. The Company is eligible to avail duty drawback benefit equal to or less than the duty paid, as applicable, on imported material when it undertakes export of goods.

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(iii) Benefits of Remissions of Duties and Taxes on Exported Products (RoDTEP):

As per RoDTEP Scheme Guidelines issued by the Directorate General of Foreign Trade (DGFT) under the Ministry of Commerce and Industry, Government of India to provide exporters with a refund of various duties and taxes incurred on the export of goods. RoDTEP was implemented with effect from 1st January 2021. The Company is eligible to avail RoDTEP scheme benefits.

(iv) Benefits of Custom duty on import of Fish meal under Customs Act, 1962:

Benefits of Custom duty on import of Fish meal under chapter-23 namely "Residues and waste from the food industries; prepared animal fodder" is provided under Customs Act, 1962. The company is eligible to avail the custom duty benefits.

(B) Special tax benefits available to the shareholders under the Indirect Tax Regulations

The shareholders of the Company are not required to discharge any GST on transaction in securities of the Company. Securities are excluded from the definition of Goods as defined under section 2(52) of the Central Goods and Services Tax Act, 2017 as well from the definition of Services as defined under section 2(102) of the Central Goods and Services Tax Act, 2017.

Apart from above, the shareholders of the Company are not eligible to special tax benefits under the provisions of the Customs Tariff Act, 1975 and/or Central Goods Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective Union Territory Goods and Services Tax Act, 2017 respective State Goods and Services Tax Act, 2017, Goods and Services Tax (Compensation to States) Act, 2017 read with the relevant Central Goods and Services Tax Rules, 2017, Integrated Goods and Services Tax Rules, 2017, Union Territory Goods and Services Tax Rules, State Goods and Services Tax Rules, 2017 and notifications issued under these Acts and Rules.



Notes:

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For and on behalf of Mukka Proteins Limited
Kalandan Mohammed Althaf
Chief Financial Officer (CFO)
Place: Mangalore
Date: 02-01-2024

