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INITIAL PUBLIC OFFER OF EQUITY SHARES ON THE MAIN BOARD OF THE STOCK EXCHANGES IN COMPLIANCE WITH CHAPTER II OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED ("SEBI ICDR REGULATIONS").



**Mukka** Proteins Limited

# MUKKA PROTEINS LIMITED



(Please scan the QR code to view the RHP)

Our Company was originally formed as a partnership firm constituted under the Indian Partnership Act, 1932 pursuant to a deed of partnership dated March 13, 2003 and was registered with Registrar of Firms, Bangalore on March 21, 2003 under the name "Mukka Sea Foods Industries" and was re-constituted on July 14, 2004 and June 18, 2010. "Mukka Sea Foods Industries" was thereafter converted from a partnership firm to a private limited company under Part IX of the Companies Act, 1956, as "Mukka Sea Food Industries Private Limited" and a certificate of incorporation was issued by the Registrar of Companies, Karnataka on November 04, 2010. Subsequently, our Company was converted to a public limited company, pursuant to a special resolution passed by the shareholders of our Company at the extraordinary general meeting held on November 09, 2019 and the name of our Company was changed to "Mukka Sea Food Industries Limited" and a fresh certificate of incorporation, consequent upon conversion to a public limited company dated December 02, 2019, was issued to our Company by the Registrar of Companies, Bangalore. Thereafter, the name of our Company was changed to "Mukka Proteins Limited" pursuant to a special resolution passed by the shareholders of our Company at the extraordinary general meeting held on July 23, 2021 and a fresh certificate of incorporation dated August 06, 2021 was issued by the Registrar of Companies, Bangalore. The CIN of our Company is U05004KA2010PLC055771. For details of change in the name and registered office of our Company, see "History and Certain Corporate Matters" on page 284 of the Red Herring Prospectus dated February 24, 2024 ("RHP" or "Red Herring Prospectus").

Corporate Identity Number: U05004KA2010PLC055771

Registered Office: Mukka Corporate House, Door No. 18-2-164, First Cross, NG Road, Attavar, Dakshina Kannada, Mangaluru 575001, Karnataka, India

Tel: +918244252889; Contact Person: Mehaboob Sahab Mahmadgous Chalyal, Company Secretary and Compliance Officer; E-mail: cs@mukkaproteins.com, Website: www.mukkaproteins.com

**OUR PROMOTERS: KALANDAN MOHAMMED HARIS, KALANDAN MOHAMMAD ARIF AND KALANDAN MOHAMMED ALTHAF**

INITIAL PUBLIC OFFERING OF UP TO 80,00,000<sup>1</sup> EQUITY SHARES OF FACE VALUE OF ₹1/- EACH ("EQUITY SHARES") OF MUKKA PROTEINS LIMITED ("OUR COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹[•] PER EQUITY SHARE (INCLUDING A SECURITIES PREMIUM OF ₹[•] PER EQUITY SHARE) ("ISSUE PRICE") AGGREGATING UP TO ₹[•] MILLION ("THE ISSUE"). THE ISSUE WILL CONSTITUTE [•] % OF OUR POST-ISSUE PAID-UP EQUITY SHARE CAPITAL.

<sup>1</sup>Subject to finalization of the Basis of Allotment.

Our Company is a manufacturer of fish meal, fish oil and fish soluble paste, an essential ingredient in the manufacturing of aqua feed (for fish and shrimp), poultry feed (for broiler and layer) and pet food (dog and cat food).

The Issue is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations.

• QIB Portion: Not more than 50% of the Issue • Non-Institutional Portion: Not less than 15% of the Issue • Retail Portion: Not less than 35% of the Issue

PRICE BAND: ₹26 TO ₹28 PER EQUITY SHARE OF FACE VALUE OF ₹1 EACH

THE FLOOR PRICE IS 26 TIMES THE FACE VALUE OF THE EQUITY SHARES AND THE CAP PRICE IS 28 TIMES THE FACE VALUE OF THE EQUITY SHARES

THE PRICE/EARNINGS RATIO BASED ON DILUTED EPS FOR FISCAL 2023 AT THE FLOOR PRICE IS 13 TIMES AND AT THE CAP PRICE IS 14 TIMES

BIDS CAN BE MADE FOR A MINIMUM OF 535 EQUITY SHARES AND IN MULTIPLES OF 535 EQUITY SHARES THEREAFTER

In accordance with the recommendation of Committee of Independent Directors of our Company, pursuant to their resolution dated February 24, 2024, the above provided price band is justified based on quantitative factors/ KPIs disclosed in the 'Basis for Issue Price' section of the RHP. The price band is in line with the weighted average cost of acquisition ("WACA") of primary and secondary transactions, as applicable, disclosed in the 'Basis for Issue Price' section on pages 151-162 of the RHP and provided below in this advertisement.

In making an investment decision, potential investors must only rely on the information included in the Red Herring Prospectus and the terms of the issue, including the risks involved and not rely on any other external sources of information about the issue available in any manner.

## RISKS TO INVESTORS:

1) A significant majority of our revenues from operations are derived from a limited number of customers.

The contribution towards revenue from sale of products from our top 2, top 5 and top 10 customers is as follows:

(₹ in million)

Particulars	Six months period ended September 30, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	in ₹ million	% to operation revenue	in ₹ million	to operation revenue	in ₹ million	% to operation revenue	in ₹ million	% to operation revenue
<b>Customers</b>								
Top 2 Customer	2555.77	42.17%	4344.36	36.91%	4796.04	62.25%	4170.28	69.06%
Top 5 customer	3520.73	58.09%	6248.99	53.09%	6188.26	80.31%	4,619.10	76.50%
Top 10 customers	4381.61	72.29%	8126.81	69.04%	6,901.60	89.57%	5,061.56	83.82%
Sale to related parties (Ullal Fish Meal and Oil Company*)	NIL	NA	NIL	NA	122.72	1.59%	NIL	NA
Sale to others	4381.61	72.29%	8126.81	69.04%	6778.87	87.98%	5061.56	83.82%

2) We have experienced negative cash flows from operating activities and may do so in the future, which could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.

As per the Restated Consolidated Financial Statement, we have experienced negative cash flows from operating activities in the past, details of which are provided below:

(₹ in million)

Particulars	For the six months period ending September 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Net cash flows from operating activities	(201.19)	(543.95)	48.08	59.49

3) Under-utilisation of our manufacturing capacities and an inability to effectively utilise our expanded manufacturing capacities could have an adverse effect on our business, future prospects and future financial performance. In the six months period ended September 30, 2023 and for the Fiscals 2023, 2022 and 2021, the overall capacity utilisation of our Manufacturing Facilities in India was 24.02%, 29.31%, 20.71% and 17.36%, respectively and that of our Manufacturing Facility in Oman was 16.06%, 15.96%, 26.73% and 36.73%, respectively for the same period.

4) Our pursuit of inorganic growth opportunities may not be successful and could result in increased costs. In past, we had acquired and/or invested in 9 entities wherein our Company holds significant equity and capital contribution. In past, a few of our acquisition has not resulted in the desired result. For instance, our Company resigned as a partner from KGN Marine Products, partnership firm, with effect from February 25, 2022 and our joint venture arrangement with MSFI Bangladesh Ltd. ceased to be our joint venture on December 20, 2022 and is not actively engaged in any business operations since the year 2015. Thus our inorganic growth strategy may involve various risks and challenges.

5) The products that we manufacture or process is subject to risks such as contamination, adulteration and product tampering during their production, transportation or storage and any failure to provide the specified quality of fish meal, fish oil and fish soluble paste could have a negative impact on our business. As part of our fish meal and fish oil processing business, pelagic fish, our primary raw material, are required to be handled and transported at specific temperatures in insulated trucks with sufficient ice. These pelagic fish may be subject to contamination by bacteria or pathogens. While our manufacturing process involves the cooking method which will enable elimination of pathogens, any use of contaminated fish may affect the eventual quality of our products.

6) Our Company is party to a legal proceeding concerning an alleged violation of environmental norms by the Company and an adverse outcome of the proceeding could have an impact on our Company's operations at Mukka Manufacturing Facility I. Further, in past, one of our Promoter Director, Kalandan Mohammed Haris has been subject to seizure of property by Directorate of Enforcement in relation to alleged violation of Foreign Exchange Management Act, 1999 against which our Promoter has filed a Writ Petition against (i) Union of India, (ii) Commissioner of Customs and (iii) Directorate of Enforcement before the Hon'ble High Court of Karnataka, at Bengaluru. An adverse outcome of the proceeding could have an impact on our Company's business, results of operations and financial condition.

7) We have recently ventured into insect protein business, through Ento Proteins Private Limited, and we may be unable to execute our strategy to expand the business or find suitable market for insect proteins, which could have a material adverse effect on our business, financial condition and results of operations. Further, in order to scale up our Insect Protein production capabilities, we intend to make further investment in EPPL to meet its incremental working capital requirements, by way of equity, debt or a combination thereof from the proceeds of the issue.

8) A substantial portion of our revenue from operations is generated from the export of the products to customers in international markets. Our Company has export revenue for Fiscal 2021, Fiscal 2022, Fiscal 2023 and for the six months period ended September 30, 2023 was approx. ₹ 2,826.96 million, ₹ 1,389.47 million, ₹ 5610.32 million and ₹ 3474.14 million comprising of 52.72%, 20.05%, 52.61% and 62.68%, respectively of the revenue from operations of the Company. We are, therefore, exposed to significant risks relating to exchange rate fluctuations.

9) Our business depends on our ability to successfully obtain payments from our customers for services provided. Any inability on our part to collect amounts owed to us or to pay amounts owed by us could result in the reduction of our profits. Set forth below are the details of our trade receivables for the Fiscal 2023, Fiscal 2022 and Fiscal 2021 and for the six month period ended on September 30, 2023

Particular	As at/ for the six months ended September 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Trade receivables (₹ in million)	1,484.91	1,132.71	613.31	478.86
Debtor turnover ratio (in days outstanding)	44	35	29	29
Provisions made/ Write-off (₹ in million)	NIL	NIL	NIL	NIL

10) Some of our Group Companies have incurred losses in the previous Fiscals and the loss for the Fiscal 2023 is around ₹ 57.46 million. Sustained financial losses by our Group Companies may not be perceived positively by external parties such as customers, bankers, suppliers etc., which may affect our credibility and business operations.

11) Weighted average cost of all Equity Shares transacted in the three years, eighteen months and one year preceding the date of the Red Herring Prospectus

Period	Weighted average cost of acquisition per Equity Share (in ₹)*	Cap Price is 'x' times the weighted average cost of acquisition	Range of acquisition price per Equity Share: lowest price – highest price (in ₹)*
Last one year preceding the date of this Red Herring Prospectus	NA#	NA#	NA#
Last eighteen months preceding the date of this Red Herring Prospectus	4.50	6.22	4.50 – 4.50
Last three years preceding the date of this Red Herring Prospectus	1.29	21.71	NIL\$ – 4.50

Continued on next page



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\$Acquisition of Equity Shares through bonus issue in the ratio of 3 Equity Shares for every 1 existing Equity Share held undertaken on January 18, 2022, hence the acquisition price is nil.

\*As certified by our Statutory Auditors, Shah & Taparia, Chartered Accountants, by way of their certificate dated February 24, 2024.

#There have been no transactions of Equity Shares of the Company in the one year preceding the date of this Red Herring Prospectus.

- 12) This is the first Main Board Public Issue being handled by BRLM associated with Issue. The BRLM has handled 14 SME public issues in the past three Fiscal Years, out of which 3 issues closed below the Issue Price on the listing date
- 13) The Price/Earnings ratio based on diluted EPS for March 31, 2023 for the issuer at the upper end of the Price band is 14 as high as as compared to the average industry peer group PE ratio of 26.36.
- 14) Weighted Average Return on Net Worth for Fiscal 2023, 2022 and 2021 is 28.66 %.
- 15) Average cost of acquisition of Equity Shares of our Promoters

The average cost of acquisition of Equity Shares for our Promoters as on the date of the Red Herring Prospectus, is as set out below:

Name of Promoter	Number of Equity Shares acquired*^	Average cost of acquisition per Equity Share (in ₹) <sup>#</sup>
Kalandan Mohammed Haris	11,24,51,830	0.98
Kalandan Mohammad Arif	600,16,690**	0.98
Kalandan Mohammed Althaf	600,16,690	0.98

As certified by our Statutory Auditor, Shah & Taparia, by way of their certificate dated February 24, 2024.

#Weighted average price has been arrived at by considering only the cost of shares allotted to the Promoters on account of further issue, bonus issue and transfers, i.e., cost paid by the Promoters for acquisition by way of subscription, bonus issue and acquisition from other shareholder(s) divided by the total number of equity shares acquired by the above transactions.

\*While calculating the weighted average price of the shares in the hands of the individual, the cost of shares was considered as the price paid to the transferor against such acquisition of shares. The selling price of the shares transferred by the respective Promoters to others is not netted off while calculating the average cost of acquisition.

<sup>#</sup>As adjusted for sub-division of Equity Shares

\*\*For the purpose of acquiring 45,27,190 Equity Shares from Lalitaben Dipak Modh, 35,44,500 Equity Shares from Hinesh Laherchand Modi and 35,44,500 Equity Shares from Bijal Hinesh Modi, Kalandan Mohammad Arif had paid the relevant consideration amounts to them. However, these Equity Shares were inadvertently transferred and credited into the demat account of Kalandan Mohammed Haris, instead of the demat account of Kalandan Mohammad Arif by the aforementioned transferors. To rectify this inadvertence, Kalandan Mohammed Haris has transferred the above Equity Shares to Kalandan Mohammad Arif.

#### 16) Weighted average cost of acquisition, floor price and cap price

Date of transfer	Weighted average cost of acquisition (₹ per Equity Share)	Floor price (i.e. ₹ 26)	Cap price (i.e. ₹ 28)
Weighted average cost of acquisition of primary / new issue as per paragraph 8(a) above.	NA^	NA	NA
Weighted average cost of acquisition for secondary sale / acquisition as per paragraph 8(b) above.	4.50#	5.78 times	6.22 times
Weighted average cost of acquisition of primary issuances / secondary transactions as per paragraph 8 (c) above	NA^^	NA	NA

As certified by M/s. Shah & Taparia, Statutory Auditors, by its certificate dated February 24, 2024.

Note:

<sup>\*</sup>There were no primary / new issue of shares (equity/convertible securities) other than Equity Shares issued pursuant to a bonus issue on January 29, 2022, in last 18 months and three years prior to the date of the Red Herring Prospectus.

<sup>#</sup>Since, there were secondary sales / acquisition of shares (equity/ convertible securities) transactions in last 18 months from the date of the Red Herring Prospectus, the detail as required under paragraph (c) above is not applicable

<sup>^</sup>Weighted average cost of acquisition has been computed for six transactions after considering the impact of sub-division of equity shares.

#### BID / ISSUE PROGRAMME

**ANCHOR INVESTOR BID/ISSUE PERIOD: WEDNESDAY, FEBRUARY 28, 2024 \***

**BID / ISSUE OPENS ON THURSDAY, FEBRUARY 29, 2024\*\***

**BID/ISSUE CLOSES ON MONDAY, MARCH 04, 2024<sup>#</sup>**

\*Our Company may, in consultation with the BRLM, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be 1 (one) Working Day prior to the Bid/Issue Opening Date.

<sup>#</sup>Our Company may, in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs 1(one) Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.

<sup>\*</sup>The UPI mandate end time and date shall be at 5:00 p.m. on Bid/Issue Closing Day.

An indicative timetable in respect of the Issue is set out below:

Submission of Bids (other than Bids from Anchor Investors):

Bid/ Issue Period (except the Bid/ Issue Closing Date)	
Submission and Revision in Bids	Only between 10:00 am and 5:00 pm (Indian Standard Time ("IST"))
Bid/ Issue Closing Date*	
Submission of Electronic Applications (Online ASBA through 3-in-1 accounts)	Only between 10:00 am and 5:00 pm IST
Submission of Electronic Applications (Bank ASBA through Online channels like Internet Banking, Mobile Banking and Syndicate ASBA applications where Bid Amount is up to ₹500,000)	Only between 10:00 am and up to 4:00 pm IST
Submission of Electronic Applications (Syndicate Non-Retail, Non-Individual Applications of QIBs and NILs)	Only between 10:00 am and up to 3:00 pm IST
Submission of Physical Applications (Direct Bank ASBA)	Only between 10:00 am and up to 1:00 pm IST
Submission of Physical Applications (Syndicate Non-Retail, Non-Individual Applications where Bid Amount is more direct than ₹500,000)	Only between 10:00 am and up to 12:00 pm IST

Revision/cancellation of Bids	
Upward Revision of Bids by QIBs and Non-Institutional Bidders categories <sup>*</sup>	Only between 10:00 a.m. and up to 4:00 p.m. IST on Bid/ Issue Closing Date
Upward or downward Revision of Bids or cancellation of Bids by RIBs	Only between 10:00 am upto 5:00 pm IST
<sup>*</sup> UPI mandate end time and date shall be at 5:00 pm on Bid/Issue Closing Date.	
<sup>#</sup> QIBs and Non-Institutional Bidders can neither revise their bids downwards nor cancel/withdraw their bids.	
<b>Post Issue Schedule:</b>	
Event	Indicative Date
Bid/ Issue Closing Date	Monday, March 04, 2024
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about Tuesday, March 05, 2024
Initiation of refunds (if any, for Anchor Investors) / unblocking of funds from ASBA Account	On or about Wednesday, March 06, 2024
Credit of the Equity Shares to depository accounts of Allottees	On or about Wednesday, March 06, 2024
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about Thursday, March 07, 2024

#### THE EQUITY SHARES OF OUR COMPANY WILL GET LISTED ON MAIN BOARD PLATFORM OF BSE AND NSE

In case of any revision in the Price Band, the Bid/ Issue Period will be extended by at least 3 (three) additional Working Days after such revision in the Price Band, subject to the Bid/ Issue Period not exceeding 10 (ten) Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/ Issue Period for a minimum of 3 (three) Working Days, subject to the Bid/ Issue Period not exceeding 10 (ten) Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the website of the BRLM and at the terminals of the Members of the Syndicate and by intimation to Designated Intermediaries and the Sponsor Bank, as applicable.

This Issue is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations. The Issue is being made for at least 25% of the post-issue paid-up Equity Share capital of our Company. This Issue is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs") and such portion the "QIB Portion", provided that our Company in consultation with the BRLM may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with SEBI ICDR Regulations ("Anchor Investor Portion"). One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation to the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders out of which (a) one third of such portion shall be reserved for applicants with application size of more than ₹0.2 million and up to ₹1 million and (b) two-third of such portion shall be reserved for applicants with application size of more than ₹1 million, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations subject to valid Bids being received at or above the Issue Price. All Potential Bidders, other than Anchor Investors, are required to participate in the Issue by mandatorily utilising the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective ASBA Account (as defined hereinafter) and UPI ID in case of UPI Bidders using the UPI Mechanism, as applicable, pursuant to which their corresponding Bid Amounts will be blocked by the Self Certified Syndicate Banks ("SCSBs") or by the Sponsor Banks under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Issue through the ASBA process. For details, see "Issue Procedure" on page 515 of the Red Herring Prospectus.

**Bidders/Applicants should ensure that DP ID, PAN and the Client ID and UPI ID (for UPI Bidders bidding through UPI Mechanism) are correctly filled in the Bid cum Application Form. The DP ID, PAN and Client ID and UPI ID provided in the Bid cum Application Form should match with the DP ID, PAN, Client ID and UPI ID available (for UPI Bidders bidding through the UPI Mechanism) in the Depository database, otherwise, the Bid cum Application Form is liable to be rejected. Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active. Bidders/Applicants should note that on the basis of the PAN, DP ID, Client ID and UPI ID (for RIBs and NILs bidding through the UPI mechanism) provided in the Bid cum Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving Allotment Advice or unblocking of ASBA Account or for other correspondence(s) related to the Issue. Bidders/Applicants are advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants' sole risk.**

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification issued by Central Board of Direct Taxes notification dated February 13, 2020 and read with press releases dated June 25, 2021, September 17, 2021 and CBDT Circular No.7 of 2022 dated March 30, 2022 read with press release dated March 28, 2023 and any subsequent press releases in this regard.

**ASBA\*** | Simple, Safe, Smart way of Application!!!

UPI Now available in ASBA for Retail Individual Investors and Non Institutional Investor and Non-Institutional Investors also have the option to submit the application directly on the ASBA Bank (SCSBs) to use the facility of linked online trading, demat and bank account. Investors are required to ensure that the bank account used for bidding is linked to their PAN. Bidders must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT Circular No. 7 of 2022 dated March 30, 2022 read with press release dated March 28, 2023 and any subsequent press releases in this regard.

\*Applications Supported by Blocked Amount ("ASBA") is a better way of applying to offers by simply blocking the fund in the bank account. For further details, check section on ASBA.

Mandatory in public issues.  
No cheque will be accepted.



UPI may be availed by all the investors except Anchor Investors. UPI may be availed by (i) Retail Individual Bidders in the Retail Portion; (ii) Non-Institutional Bidders with an application size of up to ₹ 500,000 in the Non-Institutional Portion. For details on the ASBA and UPI process, please refer to the details given in the Bid Cum Application Form and abridged prospectus and also please refer to the section "Issue Procedure" on page 515 of the RHP. The process is also available on the website of Association of Investment Bankers of India ("AIBI") and Stock Exchanges and in the General Information Document. The Bid Cum Application Form and the Abridged Prospectus can be downloaded from the websites of BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE", and together with BSE, the "Stock Exchanges") and can be obtained from the list of banks that is displayed on the website of SEBI at [www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmld=35](http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmld=35) and [https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmld=43](http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmld=43), respectively as updated from time to time. For the list of UPI apps and banks live on IPO, please refer to the link: [www.sebi.gov.in](http://www.sebi.gov.in). UPI Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appear on the website of SEBI, as updated from time to time. Axis Bank Limited has been appointed as the Sponsor Bank for the Issue, in accordance with the requirements of SEBI circular dated November 1, 2018 as amended. For Issue related queries, please contact the Book Running Lead Manager ("BRLM") on their email IDs as mentioned below. For UPI related queries, investors can contact NPCI at the toll free number: 18001201740 and mail Id: ipo.upi@npci.org.in.

**CONTENTS OF THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY AS REGARDS ITS OBJECTS:** For information on the main objects of our Company, investors are requested to see "History and Certain Corporate Matters" beginning on page 284 of the RHP. The Memorandum of Association of our Company is a material document for inspection in relation to the Issue. For further details, see "Material Contracts and Documents for Inspection" beginning on page 548 of the RHP.

**LIABILITY OF THE MEMBERS OF OUR COMPANY:** Limited by shares.

**AMOUNT OF SHARE CAPITAL OF OUR COMPANY AND CAPITAL STRUCTURE:** As on the date of the RHP, the authorised share capital of our Company is ₹ 30,00,00,000 divided into 30,00,00,000 Equity Shares of face value of ₹ 1 each. The issued, subscribed and paid-up Equity share capital of our Company is ₹ 22,00,00,000 divided into 22,00,00,000 Equity Shares of face value of ₹ 1 each. For details of the capital structure of our Company, see "Capital Structure" beginning on page 122 of the RHP.

**NAMES OF THE INITIAL SIGNATORIES TO THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY AND THE NUMBER OF EQUITY SHARES SUBSCRIBED BY THEM:** The initial subscriber to the Memorandum of our Company were the partners of the erstwhile partnership firm namely, Mukka Sea Foods Industries to whom Equity Shares were allotted against the outstanding capital accounts of the erstwhile partnership pursuant to conversion thereof to a private limited company. The details of our initial Subscribers are; Kalandan Abdul Razak - 164,180 equity shares, Kalandan Mohammed Haris - 13,510 equity shares, Kalandan Mohammad Arif - 7,080 equity shares, Kalandan Mohammed Althaf - 49,250 equity shares, Umaiya Banu - 81,280 equity shares, Nachipadappu Abdulla Abdul Salam - 155,870 equity shares and Abdul Sayed Nachipadappu Abdulla Khunji Haji - 7,883 equity shares. For details of the share capital history and capital structure of our Company see "Capital Structure" beginning on page 122 of the RHP.

**LISTING:** The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters each dated October 11, 2023. For the purposes of the Issue, the Designated Stock Exchange shall be NSE. A signed copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Section 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus until the Bid/ Issue Closing Date, see "Material Contracts and Documents for Inspection" on page 548 of the Red Herring Prospectus.

**DISCLAIMER CLAUSE OF SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI"):** SEBI only gives its observations on the offer documents and this does not constitute approval of either the Issue or the specified securities stated in the Issue document. The investors are advised to refer to page 493 of the RHP for the full text of the disclaimer clause of SEBI.

**DISCLAIMER CLAUSE OF BSE:** It is to be distinctly understood that the permission given by BSE Limited should not in any way be deemed or construed that the RHP has been cleared or approved by BSE Limited nor does it certify the correctness or



Mukka Proteins Limited

## MUKKA PROTEINS LIMITED



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Our Company was originally formed as a partnership firm constituted under the Indian Partnership Act, 1932 pursuant to a deed of partnership dated March 13, 2003 and was registered with Registrar of Firms, Bangalore on March 21, 2003 under the name "Mukka Sea Foods Industries" and was re-constituted on July 14, 2004 and June 18, 2010. "Mukka Sea Foods Industries" was thereafter converted from a partnership firm to a private limited company under Part IX of the Companies Act, 1956, as "Mukka Sea Food Industries Private Limited" and a certificate of incorporation was issued by the Registrar of Companies, Karnataka on November 04, 2010. Subsequently, Our Company was converted to a public limited company, pursuant to a special resolution passed by the shareholders of our Company at the extraordinary general meeting held on November 09, 2019 and the name of our Company was changed to "Mukka Sea Food Industries Limited" and a fresh certificate of incorporation, consequent upon conversion to a public limited company dated December 02, 2019, was issued to our Company by the Registrar of Companies, Bangalore. Thereafter, the name of our Company was changed to "Mukka Proteins Limited" pursuant to a special resolution passed by the shareholders of our Company at the extraordinary general meeting held on July 23, 2021 and a fresh certificate of incorporation dated August 06, 2021 was issued by the Registrar of Companies, Bangalore. The CIN of our Company is U05004KA2010PLC055771. For details of change in the name and registered office of our Company, see "History and Certain Corporate Matters" on page 284 of the Red Herring Prospectus dated February 24, 2024 ("RHP" or "Red Herring Prospectus").

Corporate Identity Number: U05004KA2010PLC055771

Registered Office: Mukka Corporate House, Door No. 18-2-164, First Cross, NG Road, Attavar, Dakshina Kannada, Mangaluru 575001, Karnataka, India  
Tel: +918244252889; Contact Person: Mehaboob Sabah Madugoud Chalyat, Company Secretary and Compliance Officer, E-mail: cs@mukkaproteins.com, Website: www.mukkaproteins.com

(Please scan the QR code to view the RHP)

## OUR PROMOTERS: KALANDAN MOHAMMED HARIS, KALANDAN MOHAMMAD ARIF AND KALANDAN MOHAMMED ALTHAF

INITIAL PUBLIC OFFERING OF UP TO 80,00,000<sup>1</sup> EQUITY SHARES OF FACE VALUE OF ₹1/- EACH ("EQUITY SHARES") OF MUKKA PROTEINS LIMITED ("OUR COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹[•] PER EQUITY SHARE (INCLUDING A SECURITIES PREMIUM OF ₹[•] PER EQUITY SHARE) ("ISSUE PRICE") AGGREGATING UP TO ₹[•] MILLION ("THE ISSUE"). THE ISSUE WILL CONSTITUTE [•] % OF OUR POST-ISSUE PAID-UP EQUITY SHARE CAPITAL.

\*Subject to finalization of the Basis of Allotment.

**Our Company is a manufacturer of fish meal, fish oil and fish soluble paste, an essential ingredient in the manufacturing of aqua feed (for fish and shrimp), poultry feed (for broiler and layer) and pet food (dog and cat food).**

The Issue is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations.

- QIB Portion: Not more than 50% of the Issue
- Non-Institutional Portion: Not less than 15% of the Issue
- Retail Portion: Not less than 35% of the Issue

PRICE BAND: ₹26 TO ₹28 PER EQUITY SHARE OF FACE VALUE OF ₹1 EACH

THE FLOOR PRICE IS 26 TIMES THE FACE VALUE OF THE EQUITY SHARES AND THE CAP PRICE IS 28 TIMES THE FACE VALUE OF THE EQUITY SHARES  
THE PRICE/EARNINGS RATIO BASED ON DILUTED EPS FOR FISCAL 2023 AT THE FLOOR PRICE IS 13 TIMES AND AT THE CAP PRICE IS 14 TIMES  
BIDS CAN BE MADE FOR A MINIMUM OF 535 EQUITY SHARES AND IN MULTIPLES OF 535 EQUITY SHARES THEREAFTER

In accordance with the recommendation of Committee of Independent Directors of our Company, pursuant to their resolution dated February 24, 2024, the above provided price band is justified based on quantitative factors/ KPIs disclosed in the 'Basis for Issue Price' section of the RHP. The price band is in line with the weighted average cost of acquisition ("WACA") of primary and secondary transactions, as applicable, disclosed in the 'Basis for Issue Price' section on pages 151-162 of the RHP and provided below in this advertisement.

In making an investment decision, potential investors must only rely on the information included in the Red Herring Prospectus and the terms of the Issue, including the risks involved and not rely on any other external sources of information about the Issue available in any manner.

## RISKS TO INVESTORS:

## 1) A significant majority of our revenues from operations are derived from a limited number of customers.

The contribution towards revenue from sale of products from our top 2, top 5 and top 10 customers is as follows:

(₹ in million)

Particulars	Six months period ended September 30, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	in ₹ million	% to operation revenue	in ₹ million	to operation revenue	in ₹ million	% to operation revenue	in ₹ million	% to operation revenue
<b>Customers</b>								
Top 2 Customer	2555.77	42.17%	4344.36	36.91%	4796.04	62.25%	4170.28	69.06%
Top 5 customer	3520.73	58.09%	6248.99	53.09%	6188.26	80.31%	4,619.10	76.50%
Top 10 customers	4381.61	72.29%	8126.81	69.04%	6,901.60	89.57%	5,061.56	83.82%
Sale to related parties (Ullal Fish Meal and Oil Company*)	NIL	NA	NIL	NA	122.72	1.59%	NIL	NA
Sale to others	4381.61	72.29%	8126.81	69.04%	6778.87	87.98%	5061.56	83.82%

## 2) We have experienced negative cash flows from operating activities and may do so in the future, which could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.

As per the Restated Consolidated Financial Statement, we have experienced negative cash flows from operating activities in the past, details of which are provided below:

(₹ in million)

Particulars	For the six months period ending September 30, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	in ₹ million	% to operation revenue	in ₹ million	% to operation revenue	in ₹ million	% to operation revenue	in ₹ million	% to operation revenue
Net cash flows from operating activities	(201.19)		(543.95)		48.08		59.49	

## 3) Under-utilisation of our manufacturing capacities and an inability to effectively utilise our expanded manufacturing capacities could have an adverse effect on our business, future prospects and future financial performance. In the six months period ended September 30, 2023 and for the Fiscals 2023, 2022 and 2021, the overall capacity utilisation of our Manufacturing Facilities in India was 24.02%, 29.31%, 20.71% and 17.36%, respectively and that of our Manufacturing Facility in Oman was 16.06%, 15.96%, 26.73% and 36.73%, respectively for the same period.

## 4) Our pursuit of inorganic growth opportunities may not be successful and could result in increased costs. In past, we had acquired and/or invested in 9 entities wherein our Company holds significant equity and capital contribution. In past, a few of our acquisition has not resulted in the desired result. For instance, our Company resigned as a partner from KGN Marine Products, partnership firm, with effect from February 25, 2022 and our joint venture arrangement with MSFI Bangladesh Ltd. ceased to be our joint venture on December 20, 2022 and is not actively engaged in any business operations since the year 2015. Thus our inorganic growth strategy may involve various risks and challenges.

## 5) The products that we manufacture or process is subject to risks such as contamination, adulteration and product tampering during their production, transportation or storage and any failure to provide the specified quality of fish meal, fish oil and fish soluble paste could have a negative impact on our business. As part of our fish meal and fish oil processing business, pelagic fish, our primary raw material, are required to be handled and transported at specific temperatures in insulated trucks with sufficient ice. These pelagic fish may be subject to contamination by bacteria or pathogens. While our manufacturing process involves the cooking method which will enable elimination of pathogens, any use of contaminated fish may affect the eventual quality of our products.

6) Our Company is party to a legal proceeding concerning an alleged violation of environmental norms by the Company and an adverse outcome of the proceeding could have an impact on our Company's operations at Mukka Manufacturing Facility I. Further, in past, one of our Promoter Director, Kalandan Mohammed Haris has been subject to seizure of property by Directorate of Enforcement in relation to alleged violation of Foreign Exchange Management Act, 1999 against which our Promoter has filed a Writ Petition against (i) Union of India, (ii) Commissioner of Customs and (iii) Directorate of Enforcement before the Hon'ble High Court of Karnataka, at Bengaluru. An adverse outcome of the proceeding could have an impact on our Company's business, results of operations and financial condition.

7) We have recently ventured into insect protein business, through Ento Proteins Private Limited, and we may be unable to execute our strategy to expand the business or find suitable market for insect proteins, which could have a material adverse effect on our business, financial condition and results of operations. Further, in order to scale up our Insect Protein production capabilities, we intend to make further investment in EPPL to meet its incremental working capital requirements, by way of equity, debt or a combination thereof from the proceeds of the Issue.

8) A substantial portion of our revenue from operations is generated from the export of the products to customers in international markets. Our Company has export revenue for Fiscal 2021, Fiscal 2022, Fiscal 2023 and for the six months period ended September 30, 2023 was approx. ₹ 2,826.96 million, ₹1,389.47 million, ₹5610.32 million and ₹3474.14 million comprising of 52.72%, 20.05%, 52.61% and 62.68%, respectively of the revenue from operations of the Company. We are, therefore, exposed to significant risks relating to exchange rate fluctuations.

9) Our business depends on our ability to successfully obtain payments from our customers for services provided. Any inability on our part to collect amounts owed to us or to pay amounts owed by us could result in the reduction of our profits. Set forth below are the details of our trade receivables for the Fiscal 2023, Fiscal 2022 and Fiscal 2021 and for the six month period ended on September 30, 2023

Particular	As at/ for the six months ended September 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Trade receivables (₹ in million)	1,484.91	1,132.71	613.31	478.86
Debtor turnover ratio (in days outstanding)	44	35	29	29
Provisions made/ Write-off (₹ in million)	NIL	NIL	NIL	NIL

10) Some of our Group Companies have incurred losses in the previous Fiscals and the loss for the Fiscal 2023 is around ₹57.46 million. Sustained financial losses by our Group Companies may not be perceived positively by external parties such as customers, bankers, suppliers etc., which may affect our credibility and business operations.

11) Weighted average cost of all Equity Shares transacted in the three years, eighteen months and one year preceding the date of the Red Herring Prospectus

Period	Weighted average cost of acquisition per Equity Share (in ₹)*	Cap Price is 'x' times the weighted average cost of acquisition	Range of acquisition price per Equity Share: lowest price – highest price (in ₹)*
Last one year preceding the date of this Red Herring Prospectus	NA#	NA#	NA#
Last eighteen months preceding the date of this Red Herring Prospectus	4.50	6.22	4.50 – 4.50
Last three years preceding the date of this Red Herring Prospectus	1.29	21.71	NIL\$ – 4.50

Continued on next page

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\$Acquisition of Equity Shares through bonus issue in the ratio of 3 Equity Shares for every 1 existing Equity Share held undertaken on January 18, 2022, hence the acquisition price is nil.

\*As certified by our Statutory Auditors, Shah & Taparia, Chartered Accountants, by way of their certificate dated February 24, 2024.

#There have been no transactions of Equity Shares of the Company in the one year preceding the date of this Red Herring Prospectus.

- 12) This is the first Main Board Public Issue being handled by BRLM associated with Issue. The BRLM has handled 14 SME public issues in the past three Fiscal Years, out of which 3 issues closed below the Issue Price on the listing date
- 13) The Price/Earnings ratio based on diluted EPS for March 31, 2023 for the issuer at the upper end of the Price band is 14 as high as as compared to the average industry peer group PE ratio of 26.36.
- 14) Weighted Average Return on Net Worth for Fiscal 2023, 2022 and 2021 is 28.66 %.

#### 15) Average cost of acquisition of Equity Shares of our Promoters

The average cost of acquisition of Equity Shares for our Promoters as on the date of the Red Herring Prospectus, is as set out below:

Name of Promoter	Number of Equity Shares acquired*^	Average cost of acquisition per Equity Share (in ₹) <sup>#</sup>
Kalandan Mohammed Haris	11,24,51,830	0.98
Kalandan Mohammad Arif	600,16,690**	0.98
Kalandan Mohammed Althaf	600,16,690	0.98

As certified by our Statutory Auditor, Shah & Taparia, by way of their certificate dated February 24, 2024.

#Weighted average price has been arrived at by considering only the cost of shares allotted to the Promoters on account of further issue, bonus issue and transfers, i.e., cost paid by the Promoters for acquisition by way of subscription, bonus issue and acquisition from other shareholder(s) divided by the total number of equity shares acquired by the above transactions.

\*While calculating the weighted average price of the shares in the hands of the individual, the cost of shares was considered as the price paid to the transferor against such acquisition of shares. The selling price of the shares transferred by the respective Promoters to others is not netted off while calculating the average cost of acquisition.

^As adjusted for sub-division of Equity Shares

\*\*For the purpose of acquiring 45,27,190 Equity Shares from Lalitaben Dipak Modh, 35,44,500 Equity Shares from Hinesh Laherchand Modi and 35,44,500 Equity Shares from Bijal Hinesh Modi, Kalandan Mohammad Arif had paid the relevant consideration amounts to them. However, these Equity Shares were inadvertently transferred and credited into the demat account of Kalandan Mohammed Haris, instead of the demat account of Kalandan Mohammad Arif by the aforementioned transferors. To rectify this inadvertence, Kalandan Mohammed Haris has transferred the above Equity Shares to Kalandan Mohammad Arif.

#### 16) Weighted average cost of acquisition, floor price and cap price

Date of transfer	Weighted average cost of acquisition (₹ per Equity Share)	Floor price (i.e. ₹ 26)	Cap price (i.e. ₹ 28)
Weighted average cost of acquisition of primary / new issue as per paragraph 8(a) above.	NA^	NA	NA
Weighted average cost of acquisition for secondary sale / acquisition as per paragraph 8(b) above.	4.50#	5.78 times	6.22 times
Weighted average cost of acquisition of primary issuances / secondary transactions as per paragraph 8 (c) above	NA^^	NA	NA

As certified by M/s. Shah & Taparia, Statutory Auditors, by its certificate dated February 24, 2024.

Note:

<sup>\*</sup>There were no primary / new issue of shares (equity/convertible securities) other than Equity Shares issued pursuant to a bonus issue on January 29, 2022, in last 18 months and three years prior to the date of the Red Herring Prospectus.

<sup>^</sup> Since, there were secondary sales / acquisition of shares (equity/convertible securities) transactions in last 18 months from the date of the Red Herring Prospectus, the detail as required under paragraph (c) above is not applicable

<sup>#</sup> Weighted average cost of acquisition has been computed for six transactions after considering the impact of sub-division of equity shares.

#### ANCHOR INVESTOR BID/ISSUE PERIOD: WEDNESDAY, FEBRUARY 28, 2024 \*

#### BID / ISSUE OPENS ON THURSDAY, FEBRUARY 29, 2024\*\*

#### BID/ISSUE CLOSES ON MONDAY, MARCH 04, 2024<sup>#</sup>

\*Our Company may, in consultation with the BRLM, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be 1 (one) Working Day prior to the Bid/Issue Opening Date.

<sup>\*\*</sup>Our Company may, in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs 1 (one) Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.

<sup>#</sup>UPI mandate end time and date shall be at 5:00 p.m. on Bid/Issue Closing Day.

An indicative timetable in respect of the Issue is set out below:

Submission of Bids (other than Bids from Anchor Investors):

Bid/ Issue Period (except the Bid/ Issue Closing Date)	
Submission and Revision in Bids	Only between 10:00 am and 5:00 pm (Indian Standard Time ("IST"))
Bid/ Issue Closing Date*	
Submission of Electronic Applications (Online ASBA through 3-in-1 accounts)	Only between 10:00 am and 5:00 pm IST
Submission of Electronic Applications (Bank ASBA through Online channels like Internet Banking, Mobile Banking and Syndicate ASBA applications where Bid Amount is up to ₹500,000)	Only between 10:00 am and up to 4:00 pm IST
Submission of Electronic Applications (Syndicate Non-Retail, Non-Individual Applications of QIBs and NIIIs)	Only between 10:00 am and up to 3:00 pm IST
Submission of Physical Applications (Direct Bank ASBA)	Only between 10:00 am and up to 1:00 pm IST
Submission of Physical Applications (Syndicate Non-Retail, Non-Individual Applications where Bid Amount is more direct than ₹500,000)	Only between 10:00 am and up to 12:00 pm IST

Revision/cancellation of Bids	
Upward Revision of Bids by QIBs and Non-Institutional Bidders categories <sup>*</sup>	Only between 10:00 a.m. and up to 4:00 p.m. IST on Bid/ Issue Closing Date
Upward or downward Revision of Bids or cancellation of Bids by RIBs	Only between 10:00 am upto 5:00 pm IST
<sup>*</sup> UPI mandate end time and date shall be at 5:00 pm on Bid/Issue Closing Date.	
<sup>*</sup> QIBs and Non-Institutional Bidders can neither revise their bids downwards nor cancel/withdraw their bids.	
Post Issue Schedule:	
Event	Indicative Date
Bid/ Issue Closing Date	Monday, March 04, 2024
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about Tuesday, March 05, 2024
Initiation of refunds (if any, for Anchor Investors) / unblocking of funds from ASBA Account	On or about Wednesday, March 06, 2024
Credit of the Equity Shares to depository accounts of Allottees	On or about Wednesday, March 06, 2024
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about Thursday, March 07, 2024

**BASIS FOR ISSUE PRICE**

The Price Band and the Issue Price will be determined by our Company in consultation with the BRLM, on the basis of assessment of market demand for the Equity Shares issued through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹1 each and the Issue Price is 26 times the face value at the lower end of the Price Band and 28 times the face value at the higher end of the Price Band.

Investors should also refer to the "Risk Factors", "Summary of Financial Information", "Our Business", "Restated Consolidated Financial Statement" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 45, 108, 232, 337 and 418 of the RHP, respectively, to have an informed view before making an investment decision.

#### Qualitative Factors

Some of the qualitative factors and our strengths which form the basis for computing the Issue Price are:

1. Our position as a leading manufacturer and exporter of Fish Protein products

2. Established customer base and strong relationships

3. Strategically located processing facilities

4. Entry Barriers

5. Strong and consistent financial performance

6. Focus on Quality, Environment, Health and Safety (QEHS)

7. Experienced Promoter Directors with extensive domain knowledge

For details, see "Our Business – Our Competitive Strengths" on page 242 of the RHP.

#### Quantitative Factors

Some of the information presented below, relating to us, is derived from the Restated Consolidated Financial Statement. For details, see "Restated Consolidated Financial Statement" and "Other Financial Information" on pages 337 and 408, respectively of the Red Herring Prospectus.

Some of the quantitative factors which may form the basis for computing the Issue Price are as follows:

#### 1. Basic and Diluted Earnings Per Share ("EPS"):

Year / Period ended	Basic EPS and Diluted EPS**	Weights
March 31, 2023	2.00	3
March 31, 2022	1.10	2
March 31, 2021	0.41	1
<b>Weighted Average</b>	<b>1.44</b>	
For six-months period ended September 30, 2023*	1.47	NA

\*Not annualized

<sup>\*\*</sup>Pursuant to a resolution of our Shareholders dated February 28, 2022, each Equity Share of our Company of ₹10 each was sub-divided into 10 Equity Shares of ₹1 each, for all periods presented. The Earnings per Equity Share (basic and diluted) has been calculated after giving effect to such sub-division in accordance with principles of Ind AS 33 - "Earnings per share".

Further, pursuant to the Shareholders resolution passed at the EGM held on January 15, 2022, our Company has issued bonus shares in the ratio of 3 (three) Equity Shares for every 1 (one) existing Equity Share held. Accordingly, the earnings per Equity Share have been adjusted for the aforementioned bonus issue.

Notes:

(i) Earnings per Equity Share (Basic & Diluted) = Restated profit for the period/year attributable to the Equity Shareholders /Weighted average number of Equity Shares outstanding during the period/year. The weighted average number of Equity Shares outstanding during the year is adjusted for bonus issue and sub-division of Equity Shares.

(ii) Weighted Average EPS = Aggregate of Year wise weighted EPS divided by the Aggregate weights i.e. [(EPS \* Weights) for each year / Total Weights]

(iii) Earnings per share calculations are in accordance with Ind AS - 33 (earnings per share) prescribed by the Companies (Indian Accounting Standards) Rules, 2015

(iv) The above statement should be read with significant accounting policies and notes on Restated Consolidated Financial Statement as appearing in the Restated Consolidated Financial Statement.

(v) The face value of the Equity Shares is ₹1 each.

(vi) The figures disclosed above are derived from the Restated Consolidated Financial Statement.

#### 2. Price/Earning ("P/E") ratio in relation to Price Band of ₹ 26 to ₹ 28 per Equity Share:

Particulars	P/E at the Floor Price (no. of times)	P/E at the Cap Price (no. of times)
Based on basic and diluted EPS for the year ended March 31, 2023	13	14

\*Not annualised

1) Net worth attributable to the Equity Shareholders of our Company has been defined as the aggregate value of the paid-up equity share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, including legal reserve and after deducting, if any the aggregate value of the accumulated losses, prepaid expenses, deferred expenditure and miscellaneous expenditure not written off as per the Restated Consolidated Financial Statement, but does not include reserves created out of revaluation of assets and write-back of depreciation as on March 31, 2021, March 31, 2022, March 31, 2023 and six months period ended September 30, 2023 in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations, as amended. It also excludes OCI, NCI and deeply subordinate debt.

(2) Return on Net worth attributable to the Equity Shareholders of our Company (%) = Restated Consolidated net profit for the period/year attributable to Equity Shareholders of our Company / Restated Net worth attributable to the Equity Shareholders of our Company as at the end of the period/year. Return on Net worth attributable to the Equity Shareholders of the company is a non-GAAP measure.

(3) Weighted average = Aggregate of year wise weighted Return on Net worth attributable to the Equity Shareholders of our Company divided by the aggregate of weights i.e. (Return on Net worth attributable to the Equity Shareholders of our Company x Weight) for each period/year / Total of weights

(4) The figures disclosed above are derived from the Restated Consolidated Financial Statement of our Company

#### 4. Net Asset Value per Equity Share of face value of ₹1 each, as adjusted (NAV):

Particulars	(₹)
As on March 31, 2023	5.86
As on March 31, 2022	3.97
As on March 31, 2021	2.93
As on September 30, 2023	7.23
After the Issue <sup>(i)</sup>	
- At Floor Price	12.

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## 5. Comparison of accounting ratios with listed industry peers

There are no listed companies in India that are comparable with the business that we are engaged in. Hence, we have considered listed companies that are engaged in manufacturing of aqua feed companies since, aqua feed companies are the largest customers of fish meal. While these companies are not strictly comparable to the business of our Company however, we have used the ratios for comparable purpose, the ratios for comparable purpose.

Companies	CMP*	EPS (Basic in ₹)	EPS (Diluted in ₹)	PE Ratio	RONW (%)	NAV (Per Share)	Face Value
Mukka Proteins Limited	[*]	2.00	2.00	[*]	34.19%	5.86	1.00
Peer Group							
Avanti Feeds Limited (Consolidated)	511.20	20.45	20.45	25.00	13.14%	174.45	1.00
Godrej Agrovet Limited (Consolidated)	522.10	15.71	15.71	33.23	10.77%	142.78	10.00
Zeal Aqua Limited (Standalone)	11.55	0.56	0.56	20.63	9.97%	5.61	1.00
Waterbase Limited (Consolidated)	82.07	(0.84)	(0.84)	-	(1.90%)	44.10	10.00

\*Issue Price of our Company is considered as CMP

Source: All the financial information for listed industry peers mentioned above is on a standalone basis) and consolidated basis is sourced from the filings made with stock exchanges, available on www.bseindia.com and www.nseindia.com for the Financial Year ending March 31, 2023.

Notes:

\* Considering the nature and size of the business of our Company the peers are not strictly comparable. However, above companies are included for broad comparison.

The figures for Mukka Proteins Limited are based on the restated financial information for the year ended March 31, 2023.

The figures for the peer group are for the year ended March 31, 2023 and are based on their respective financial statements filed with BSE Ltd and NSE Ltd.

\*NAV is computed as the closing net worth divided by the closing outstanding number of equity shares. Net worth has been computed as the aggregate of share capital and reserves and surplus (excluding Revaluation Reserves if any) and as attributable to the owners of the Company.

\*P/E Ratio for the peer has been computed based on the closing market price of respective equity shares as on February 23, 2024 sourced from website of Stock Exchanges as divided by the Basic/diluted EPS as applicable.

\*RoNW is computed as net profit after tax (excluding comprehensive income), as attributable to the owners of the Company divided by closing net worth. Net worth has been computed as the aggregate of share capital and reserves and surplus (excluding Revaluation Reserves if any) and as attributable to the owners of the Company.

For further details, please refer chapter titled "Risk Factors" beginning on page 45 of the Red Herring Prospectus and the financials of the Company including important profitability and return ratios, as set out in the chapter titled "Restated Consolidated Financial Statements" beginning on page 337 of the Red Herring Prospectus to have more informed view about the investment proposition. The Face Value is ₹1.00/- per Equity Share and the Issue Price ₹[\*] has been determined by the Issuer in consultation with the BRLM and is justified by the Company in consultation with the BRLM on the basis of above information.

## 6. Key Performing Indicators

The table below sets forth the details of KPIs that our Company considers have a bearing for arriving at the basis for Issue Price. The key financial and operational metrics set forth above, have been approved and verified by the Audit Committee pursuant to its resolution dated February 16, 2024. Further, the Audit Committee has on February 16, 2024 taken record that other than the key financial and operational metrics set out below, our Company has not disclosed any other key performance indicators during the three years preceding the Red Herring Prospectus with its investors. The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help it in analyzing the growth of various verticals in comparison to our Company's peers, and other relevant and material KPIs of the business of our Company that have a bearing for arriving at the basis for Issue Price have been disclosed below. Additionally, the KPIs have been certified by way of certificate dated February 16, 2024 issued by M/s. Shah & Taparia, Statutory Auditors, who had a valid certificate issued by the Peer Review Board of the Institute of Cost Accountants of India. The certificate dated February 16, 2024 issued by Shah & Taparia, Statutory Auditors, has been included in "Material Contracts and Documents for Inspection - Material Documents" on page 548 of the Red Herring Prospectus.

The tables below set forth the details of our certain financial data based on our Restated Consolidated Financial Statement, certain non-GAAP measures and KPIs that our Company considers have a bearing for arriving at the basis for Issue Price. All the financial data based on our Restated Consolidated Financial Statement, certain non-GAAP measures, operational metrics and KPIs disclosed below have been approved and confirmed by a resolution of our Audit Committee dated February 16, 2024. Further, the Audit Committee has noted that the KPIs have been disclosed to any new investors in the last three year preceding the date of the Red Herring Prospectus. The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help it in analyzing the growth of business verticals in comparison to our peers. Further, the KPIs disclosed herein have been certified by M/s. Shah & Taparia, Statutory Auditors, by their certificate dated February 16, 2024.

For details of our other operating metrics disclosed elsewhere in the Red Herring Prospectus, see "Our Business", and "Management's Discussion and Analysis of Financial Position and Results of Operations" on pages 232 and 418 of the Red Herring Prospectus, respectively.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of Directors of our Company), until the later of (a) one year after the date of listing of the Equity Shares on the Stock Exchanges; and (ii) complete utilization of the proceeds of the Issue as disclosed in "Objects of the Issue" on page 137 of the Red Herring Prospectus, or for such other duration as may be required under the SEBI ICDR Regulations.

The list of our KPIs along with brief explanation of the relevance of the KPI for our business operations are set forth below. We have also described and defined the KPIs, as applicable, in "Definitions and Abbreviations" on page 1 of the Red Herring Prospectus.

A list of our KPIs for the six months ended September 30, 2023 and Fiscal 2023, Fiscal 2022 and Fiscal 2021 is set out below:

(₹ in million except share data and ratios)

Metrics	For the six months ended September 30, 2023*	Fiscal 2023	Fiscal 2022	Fiscal 2021
<b>Financial</b>				
Revenue from operations <sup>(1)</sup>	6,060.94	11,771.22	7705.03	6038.34
Growth in revenue from operations (%) <sup>(2)</sup>	NA	52.77%	27.60%	9.94%
Gross Profit <sup>(3)</sup>	1,180.79	2,283.55	1,357.82	900.90
Gross Profit Margin(%) <sup>(4)</sup>	19.48%	19.40%	17.62%	14.92%
EBITDA <sup>(5)</sup>	613.06	943.11	542.39	318.19
EBITDA Margin(%) <sup>(6)</sup>	10.11%	8.01%	7.04%	5.27%
Adjusted EBITDA <sup>(7)</sup>	546.09	861.69	475.84	218.80
Adjusted EBITDA Margin(%) <sup>(8)</sup>	9.01%	7.32%	6.18%	3.62%
Restated Profit after tax (PAT) <sup>(9)</sup>	329.81	475.25	258.19	110.10
PAT Margin <sup>(10)</sup>	5.44%	4.04%	3.35%	1.82%
RoE(%) <sup>(11)</sup>	19.15%	36.71%	30.00%	17.37%
RoCE(%) <sup>(12)</sup>	9.41%	17.62%	13.86%	5.86%
Net Debt / EBITDA Ratio <sup>(13)</sup>	4.98	2.49	3.02	4.90
Debt Equity ratio <sup>(14)</sup>	1.68	1.64	1.68	2.31
<b>Operational</b>				
Revenue from operations <sup>(15)</sup>	6,060.94	11,771.22	7705.03	6038.34
Domestic Revenue	2,067.28	5,080.55	5,740.90	2,760.34
Domestic Revenue (%)	34.11%	43.16%	74.51%	45.71%
Outside India Revenue	3,993.66	6,690.67	1964.13	3278.00
Outside India Revenue (%)	65.89%	56.84%	25.49%	54.29%
<b>Revenue split by Fish Protein and Others<sup>(16)</sup></b>				
Fish Meal	5,221.79	9,620.72	7,120.81	5,468.30
Fish Meal (as a % of total)	86.16%	81.73%	92.42%	90.56%
Fish Oil	536.63	1,653.21	325.50	370.58
Fish Oil (as a % of total)	8.85%	14.04%	4.22%	6.14%
Fish Soluble Paste	136.46	269.13	211.06	77.79
Fish Soluble Paste (as a % of total)	2.25%	2.29%	2.74%	1.29%
Others and other operating income	166.06	228.16	47.66	121.67
Others and other operating income (%)	2.74%	1.94%	0.62%	2.02%
<b>Sales quantity<sup>(17)</sup></b>				
Fish Meal	40,484.67	91,922.72	74,340.95	64,416.29
Fish Oil	1,721.25	7,204.67	2,400.84	2,923.48
Soluble paste	3,404.64	7,302.21	5,140.24	1,826.74
Insect Meal <sup>(18)</sup>	105.91	293.65	79.14	-
Insect Oil <sup>(19)</sup>	45.39	125.85	33.97	-
<b>Key working capital parameters (in days)</b>				
Working Capital Days <sup>(20)</sup>	112	89	78	80
Inventory Days <sup>(21)</sup>	68	71	78	91
Trade Receivable Days <sup>(20)</sup>	44	35	29	29
Trade Payable Days <sup>(21)</sup>	33	41	46	60

Notes:

\*KPIs and metrics for the period are not annualized. Growth rate from Fiscal 2023 to six months period ended September 30, 2023 is not disclosed as the periods are not comparable

<sup>1</sup>Used as raw material by our Company

2. Revenue from Operations means the revenue from operations as appearing in the Restated Consolidated Financial Statement.

3. Growth in revenue from operations (%) is calculated as a percentage of revenue from operations of the relevant period/year minus revenue from operations of the preceding period/year divided by revenue from operations of the preceding period/year.

4. Gross Profit is calculated as revenue from operations less cost of materials consumed and changes in inventories of finished goods.

5. EBITDA is calculated as restated profit / (loss) for the period / year, plus finance costs, total taxes, and depreciation and amortisation expense.

6. EBITDA Margin (%) is calculated as EBITDA divided by Revenue from Operations.

7. Adjusted EBITDA is calculated as EBITDA less other income and share of Net Profit / (loss) of Associates and Joint Ventures.

8. Adjusted EBITDA Margin is calculated as Adjusted EBITDA divided by the Revenue from Operations.

9. Profit after Tax means restated profit / (loss) for the period/year as appearing in the Restated Consolidated Financial Statement.

10. Profit after Tax Margin refers to the percentage margin derived by dividing Profit after Tax by revenue from operations.

11. Return on Equity (%) refers to restated profit after tax divided by Average Equity for the year/period. Restated profit after tax means restated profit / (loss) for the period/year as appearing in the Restated Consolidated Financial Statement. Average Equity is calculated as average of the total equity at the beginning and ending of the year/period.

12. Return on Capital Employed is calculated as adjusted EBITDA less depreciation and amortisation / Capital Employed. Capital Employed is calculated as total equity plus total borrowings plus total lease liabilities and deferred tax liabilities/net minus deferred tax assets (net).

13. Net Debt to EBITDA Ratio is a measurement of leverage, calculated as company's interest-bearing liabilities minus cash or cash equivalents, divided by its EBITDA.

14. Debt Equity ratio is calculated as total borrowings divided net worth available to the equity shareholders of the Company.

15. Revenue from operations divided between sale of products from domestic market and outside India market as appearing in the Restated Consolidated Financial Statement and other operating income.

16. Revenue from Operations as appearing in the Restated Consolidated Financial Statement divided between our Company's key products i.e. fish meal, fish oil and fish soluble paste.

17. Quantity of sales in MT.

18. Working Capital Days refers to total current assets days minus total current liabilities days.

19. Inventory days have been calculated as inventory divided by revenue from operations multiplied by 180 (to annualize) for the six months period ended September 30, 2023 and 365 days for the complete fiscal years.

20. Trade Receivables days have been calculated as Trade Receivables divided by revenue from operations multiplied by 180 (to annualize) for the six months period ended September 30, 2023 and 365 days for the complete fiscal years.

21. Trade Payables days have been calculated as Trade Payables divided by revenue from operations multiplied by 180 (to annualize) for the six months period ended September 30, 2023 and 365 days for the complete fiscal years.

The above KPIs of our Company have also been disclosed, along with other key financial and operating metrics, in "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 232 and 418, respectively of the Red Herring Prospectus. All such KPIs have been defined consistently and precisely in Definitions and Abbreviations – Conventional and General Terms and Abbreviations<sup>(22)</sup> on pages 17 to 20 of the Red Herring Prospectus.

Our Company shall continue to disclose the KPIs disclosed hereinabove in this section on a periodic basis, at least once in a year (or for any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares, or until the utilization of Issue Proceeds, whichever is later, on the Stock Exchanges pursuant to the Issue, or for such other period as may be required under the SEBI ICDR Regulations.

**Explanation for the KPI metrics**

KPI	Explanations




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