

Technical Proposal

Update: Assessment of the fish meal and fish oil processing industries in India

CRISIL/MPL/FEB/23

Proposal for- Mukka Proteins Limited

Vinod Kumar

A circular blue ink stamp from CRISIL Limited, Mumbai. The text "CRISIL Limited" is at the top, "MUMBAI" is at the bottom, and there are two stars on either side of the center.

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A circular blue ink stamp from Mukka Proteins Limited, Mangaluru. The text "MUKKA PROTEINS LIMITED" is at the top, "MANGALURU" is at the bottom, and there are two stars on either side of the center. A blue ink signature is written over the stamp.

Contents

1. BACKGROUND AND OBJECTIVE OF THE ASSIGNMENT	3
2. SCOPE AND DELIVERABLES	4
3. APPROACH AND METHODOLOGY	4

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1. BACKGROUND AND OBJECTIVE OF THE ASSIGNMENT

Background and Objective

Mukka Sea Foods Industries Pvt Ltd (herein referred to as 'the client') is involved in the Indian fish meal and fish oil and fish soluble processing. The company also exports fish oil and fish meal to international markets. Their business is extended to manufacture fish meal and omega-3 fish oil which is used in aqua feed, poultry feed, pet feed, EPA-DHA extraction, animal feed, soap manufacture, leather tanneries & Paint industries across globally.

The company is planning for an initial public offering and has approached CRISIL Research to provide a detailed industry assessment for the same. The objective of the assessment is to highlight the potential of the industries the client is present in, for the medium-to-long term.

The scope of work shall cover the following aspects:

- Macro-economic overview of India
- Overview of the fish meal and fish oil processing industries in India
- Overview of the animal feed industry
- Competitive assessment of key players operating in the industry




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2. SCOPE AND DELIVERABLES

The detailed scope for the assessment of fish meal and fish oil processing industries in India is as follows:

- **Macro-economic overview of India:**

In this section, CRISIL Research shall provide a snapshot of the macro-economic scenario in India, which will cover the following:

- Review and outlook of GDP growth in India based on the new series (from 2011-12 onwards)
- Review of per capita income growth in India (from 2011-12 onwards)
- Review of consumer price index (CPI) in India (from 2011-12 onwards)
- Share of fisheries sector in GVA and growth rate
- Trend of export of fish and fish products from India
- Share of key ports in fisheries export (FY20)
- Contribution of India to World Fish Production
- Government initiatives to boost fisheries sector in India

- **Overview of the fish meal and fish oil industries in India:**

In this section, CRISIL Research shall detail the fish meal and fish oil industries and shall cover the aspects mentioned below:

- Introduction to the fish meal and fish oil industry
- Manufacturing process
- Qualitative overview on raw materials, their availability and challenges in sourcing (if any) for the manufacturing of fish meal and oil
- Various applications to fish meal and fish oil
- Trend in exports of fish meal and fish oil through India (Past five years from FY18 to FY23)
 - HS codes to be considered for fish meal (unfit for human consumption): 23012001, 23012011, 23012019 and 23099032
 - HS codes to be considered for fish oil: 15042001 and 15042010
- Current market size in both volume as well as value terms (Past trend from FY18 to FY23 and future projections from FY24 to FY26)
- Key growth drivers and challenges to the fish meal and fish oil industries
- Government regulations/initiatives impacting the fish meal and fish oil industries (if any)
- Impact of covid-19 on the fish meal and fish oil industry in India

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• **Overview of the global animal feed industry:**

In this section, CRISIL Research shall detail the animal feed industry which is one of the main consumers of fish meal and fish oil. This section shall cover the aspects mentioned below.

- Trend and current market size of the global animal feed as of 2021 (in both value as well as volume terms)
- Trend in export of fish oil and fish meal from countries namely Oman, China, UAE (past five years from 2017 to 2021)
 - HS codes to be considered for fish meal (unfit for human consumption): 23012001, 23012011, 23012019 and 23099032
 - HS codes to be considered for fish meal (fit for human consumption): 03051000
 - HS codes to be considered for fish oil: 15042001 and 15042010

• **Overview on the animal feed industry in India:**

In this section, CRISIL Research shall highlight the animal feed industry which is one of the main consumers of fish meal and fish oil.

- Trend and outlook on overall animal feed market size in India (in value terms) (Past trend from FY18 to FY23 and future projections from FY24 to FY26)

• **Competitive assessment of key players operating in the industry:**

In this section, CRISIL Research shall profile the key players (4-5) operating in the Indian fish meal and fish oil processing industries (players to be finalised post discussion with the client). Competitive assessment of shortlisted players in the industry shall be based on **current key operational and financial parameters** (as per company's website/latest available annual report/latest investor presentations only) like the following:

- Key product segments, key regions served, current manufacturing capacities, revenue from operations, operating margins

Note: Above section will be based on publicly available information and on a best-effort basis.

Note: Client to provide any subscription-based reports (such as IFFO reports) related to industry to consolidate views and assumptions made in the industry report.

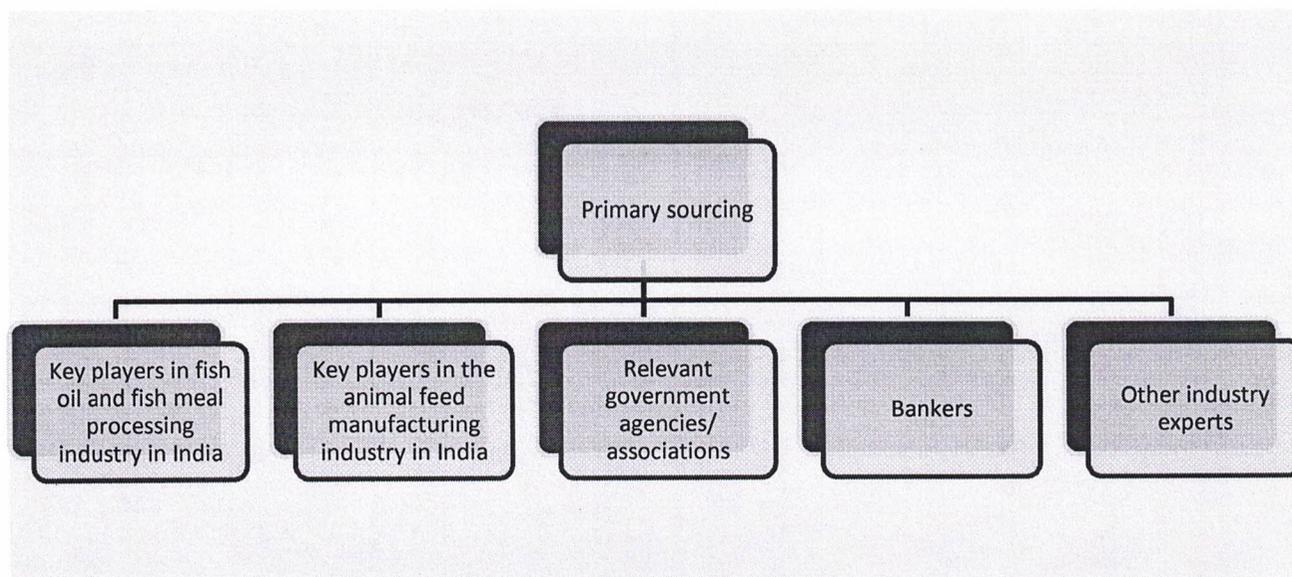
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3. APPROACH AND METHODOLOGY

CRISIL will adopt an extensive analysis-based approach to undertake the assessment of the fish meal and fish oil processing industries in India. CRISIL Research shall vet the findings using primary sourcing, secondary sourcing and CRISIL Research's proprietary databases.

Our primary interactions with key personnel of fish meal and fish oil processing companies, animal feed manufacturing companies, relevant associations, bankers as well as other industry experts (on a best-effort basis) will help us in determining the overall scenario in the fish meal and fish oil processing industries in India. Such interactions will also help in determining the growth potential and key risks.

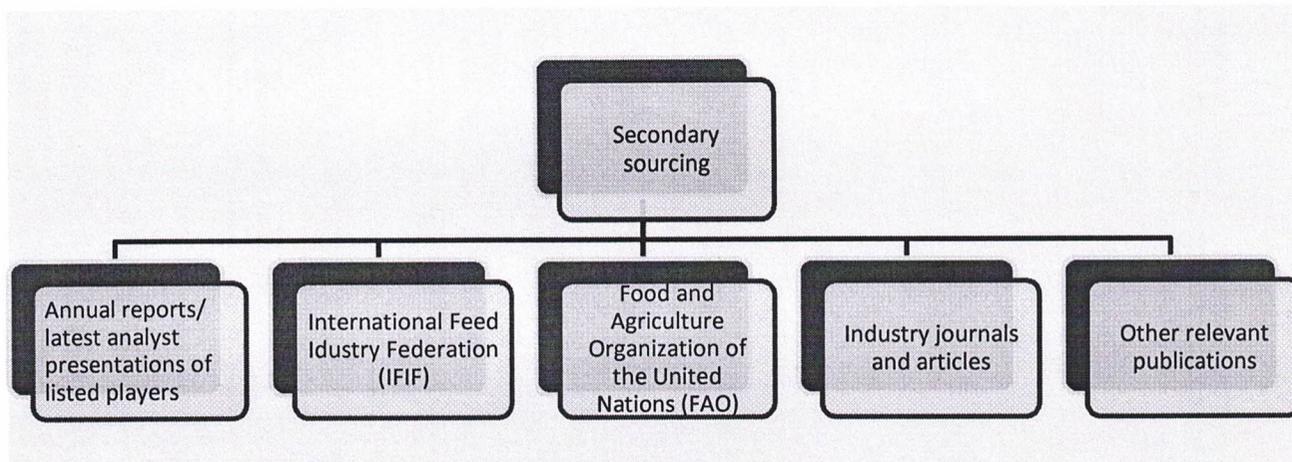


Our secondary sources spanning in-house databases maintained by CRISIL Research (covering more than 85 sectors), other financial databases, industry journals and articles, analyst reports and other publications will be used, wherever applicable, in assessment of the animal feed processing industries in India as well as globally. We will also refer to annual reports/ latest analyst presentations of listed companies to understand their expansion plans, if any.

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Information Sourcing

Information and plans of individual companies/projects will be based on information shared by respective companies during interactions with CRISIL Research representatives and from publicly available information. Acquisition of all non-public information will be done on a best-effort basis. Wherever precise information is not available, best possible estimates will be prepared and validated from other sources wherever possible.

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We agree, accept and confirm

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<p>DATE : 02-02-2023</p>	<p>DATE: 02-02-2023</p>

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