

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

Date: June 10, 2025

The Board of Directors
Orkla India Limited (formerly known as Orkla India Private Limited and MTR Foods Private Limited)
No. 1, 2nd and 3rd Floor
100 Feet Inner Ring Road, Ejipura
Ashwini Layout, Viveknagar
Bangalore - 560047

Dear Sirs / Madam,

Statement of Special Tax Benefits available to Orkla India Limited (formerly known as Orkla India Private Limited and MTR Foods Private Limited) ("the Company") and its shareholders under the Indian tax laws

1. We hereby confirm that the enclosed Annexure 1 and 2 (together, the "Annexures"), prepared by the Company, provides the special tax benefits available to the Company and to the shareholders of the Company under:

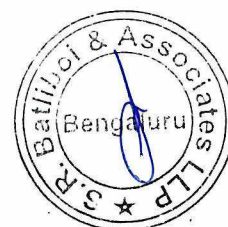
- the Income Tax Act, 1961 ('the Act') as amended by the Finance Act 2025, i.e. applicable for the Financial Year 2025-26 relevant to the assessment year 2026-27 and presently in force in India (together, the "Direct Tax Laws"); and
- the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017 and the State Goods and Service Tax Act, 2017 read with Rules, Circulars and Notifications ("GST Law"), the Customs Act, 1962 and the Customs Tariff Act, 1975 ("Customs Laws"), Foreign Trade Policy (FTP), 2023, each as amended and presently in force in India (collectively referred as "Indirect Tax Laws").

Direct Tax Laws and Indirect Tax Laws are collectively referred to as the "Tax Laws". Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.

2. The benefits discussed in the enclosed Annexures are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to 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 his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offer of the equity shares of the Company (the "IPO").

3. We do not express any opinion or provide any assurance as to whether:

- i) the Company or its shareholders will continue to obtain these benefits in future;
- ii) the conditions prescribed for availing the benefits have been / would be met with; and
- iii) the revenue authorities/courts will concur with the views expressed herein.



S.R. BATLIBOI & ASSOCIATES LLP

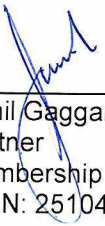
Chartered Accountants

4. The contents of the enclosed Annexures are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.
5. This Statement is issued solely in connection with the proposed IPO issue of the Company and is not to be used, referred to or distributed for any other purpose.
6. We have no responsibility to update this Statement for events and circumstances occurring after the date of this Statement.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

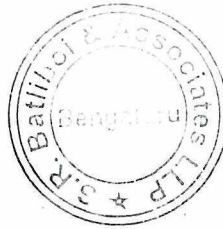


Sunil Gaggar

Partner

Membership Number: 104315

UDIN: 25104315BMLNPC9353



Place: Bengaluru

Date: June 10, 2025

ANNEXURE 1 TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE DIRECT TAX LAWS IN INDIA

The information outlined below sets out the special tax benefits available to the Company and its shareholders under the Income Tax Act, 1961 ('the Act') read with Rules, Circulars, and Notifications thereunder, as amended by the Finance Act 2025, applicable for Financial Year 2025-26 relevant to Assessment Year 2026-27 presently in force in India.

1. Special direct tax benefits available to the Company under the Act**(a) Lower corporate tax rate: Section 115BAA, as inserted vide The Taxation Laws (Amendment) Act, 2019,**

Provides that a domestic Company can opt for tax rate of 22% plus surcharge at the rate of 10% and health and education cess at the rate of 4% (effective tax rate of 25.168%) for the Financial Year 2019-20 and onwards, provided the total income of the Company is computed without claiming certain specified deductions and specified brought forward losses and claiming depreciation determined in the prescribed manner. The option once exercised shall apply to subsequent AYs. However, the concessional rate under section 115BAA of the Act is subject to the Company not availing any of the following specified tax exemptions/incentives under the Act:

- Deduction u/s 10AA of the Act: Tax holiday available to units in a Special Economic Zone;
- Deductions available under Chapter VI-A except under section 80JJAA and section 80M of the Act;
- Deduction u/s 32(1)(iia) of the Act: Additional Depreciation;
- Deduction u/s 32AD of the Act: Investment allowance;
- Deduction u/s 35AD of the Act: Deduction for capital expenditure incurred on specified businesses;
- Deduction under certain sub-sections/clauses of Section 35 of the Act: Expenditure on scientific research.

The total income of a Company availing the concessional rate under section 115BAA of the Act 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 Act. Further, provisions of Minimum Alternate Tax ('MAT') under section 115JB of the Act shall not be applicable to Companies availing this beneficial 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.

The Company has opted for the concessional rate of tax for the first time in the return of income filed for FY 2019-20 for which declaration in specified form (i.e., Form 10- IC) was also filed on the income tax e-filing portal.



Registered Office: **Orkla India Limited**

(Formerly known as "Orkla India Private Limited" and "MTR Foods Private Limited")

No. 1, 2nd & 3rd Floor, 100 Feet Inner Ring Road, Ejipura, Ashwini Layout, Viveknagar, Bengaluru - 560 047, India

CIN: U15136KA1996PLC021007 | T: +91 80 4081 2100 | Website: www.orklaindia.com | E-mail: contactus@orklaindia.com

(b) Deductions in respect of employment of new employees - Section 80JJAA of the Act

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

Additional employee cost means the total emoluments paid or payable to additional employees employed in the previous year through an account payee cheque or account payee bank draft or by use of electronic clearing system through a bank account or through such other electronic mode as may be prescribed. These employees should also have total salary not more than INR 25,000 per month and should also be member of a recognized provident fund.

The deduction under section 80JJAA of the Act would continue to be available to the Company even where the Company opts for the lower tax rate of 22% under the provisions of section 115BAA of the Act (as discussed above), subject to fulfillment of conditions laid down under the provisions of section 80JJAA of the Act.

(c) Deduction in respect of merger/demerger expenditure Section 35DD of the Act

In accordance with and subject to the fulfilment of conditions as laid out under section 35DD of the Act, the Company may be entitled to amortize expenditure incurred wholly and exclusively for the purposes of amalgamation or demerger of an undertaking, expenditure as prescribed under section 35DD of the Act. The deduction is allowable for an amount equal to one-fifth of such expenditure for each of five successive previous years beginning with the previous year in which the amalgamation or demerger takes place.

2. Special direct tax benefits available to Shareholders

(a) Long-term Capital Gains:

Long term capital gains exceeding ₹ 1,25,000 on transfer of listed equity shares on which Securities Transactions Tax ("STT") has been paid will be subject to tax in the hands of shareholders as per the provisions of section 112A of the Act at 12.5% (plus applicable surcharge and cess). The benefit of indexation of costs shall not be available. As per section 2(29AA) read with section 2 (42A) of the Act, a listed equity share is treated as a long-term capital asset if the same is held for more than 12 months immediately preceding the date of its transfer.

(b) Short-term Capital Gains:

Short term capital gains arising on transfer of shares on which STT has been paid will be subject to tax in the hands of shareholders as per the provisions of section 111A of the Act at 20% (plus applicable surcharge and cess).

(c) Double Taxation Avoidance Agreement ("DTAA") benefit:

In respect of non-resident shareholders, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable DTAA, if any, between India and the country in which the non-resident has fiscal domicile and fulfillment of other conditions to avail the DTAA benefits.



(d) Taxability of Dividend income:

Dividend income will be subject to tax in the hands of domestic shareholders at the applicable slab rate/ corporate tax rate (plus applicable surcharge and cess). In case of Non-resident Shareholders, tax will be applicable at 20% (plus applicable surcharge and cess) or as per applicable DTAA.

NOTES:

1. The above statement of special direct tax benefits ("Statement") sets out the provisions of Direct Tax Laws 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 of the Company.
2. This Statement covers only certain special tax benefits under the Act, read with the relevant rules, circulars and notifications and does not cover any benefit under any other law in force in India. This statement also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian Company. The shareholders/investors in any country outside India are advised to consult their own professional advisors regarding possible income tax consequences that apply to them under the laws of such jurisdiction.
3. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant Double Taxation Avoidance Agreement, if any, entered into between India and the country in which the non-resident has fiscal domicile.
4. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his or her tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
5. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We will not be liable to any other person in respect of this Statement.

For Orkla India Limited (formerly known as Orkla India Private Limited and MTR Foods Private Limited)


Suniana Calapa
Chief Financial Officer



Place: Bengaluru
Date: June 10, 2025

ANNEXURE 2 TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE INDIRECT TAX LAWS IN INDIA

The information outlined below sets out the special tax benefits available to the Company and its shareholders under the Central Goods And Services Tax Act, 2017, Integrated Goods And Services Tax Act, 2017, relevant State Goods and Services Tax Act, 2017 read with rules, circulars, and notifications ("GST law"), the Customs Act, 1962, Customs Tariff Act, 1975 ("Customs law") and Foreign Trade Policy 2023 read with procedures, public/trade notices and notifications ("FTP"), each as amended and presently in force in India (herein collectively referred as "Indirect Tax Laws")

1. Special indirect tax benefits available to the Company**(a) RoDTEP Scheme:**

RODTEP is a new scheme applicable from 1 January 2021 and is launched by the Ministry of Commerce & Industry to replace the existing MEIS (Merchandise Exports from India Scheme). The scheme ensures that the exporters receive refunds on the embedded taxes and duties previously non-recoverable. It was introduced with the intention of boosting exports, which were relatively poor in volume previously. Refund of the previously non-refundable duties and taxes: Mandi tax, VAT, Coal cess, Central Excise duty on fuel, etc., is refunded under this scheme. The rebate is issued as a transferable electronic scrip by the Central Board of Indirect Taxes & Customs (CBIC) in an end-to-end IT environment. Manufacturer exporters and merchant exporters (traders) are both eligible for the benefits of this scheme. The exported products need to have the country of origin as India.

(b) Production Linked Incentive (PLI) Scheme:

Cabinet in its meeting in March 2021 approved the Production Linked Incentive Scheme for Food Processing Industry (PLISFPI) to support creation of global food manufacturing champions commensurate with India's natural resource endowment and support Indian brands of food products in the international markets.

Salient features:

Central Sector Scheme with an outlay of Rs. 10,900 crores. The first component relevant to the Company relates to incentivizing manufacturing of four major food product segments viz. Ready to Cook/ Ready to Eat (RTC/ RTE) foods including Millets based products, Processed Fruits & Vegetables, Marine Products, Mozzarella Cheese. The selected applicant will be required to undertake investment, as quoted in their Application (Subject to the prescribed minimum) in Plant & Machinery in the first two years i.e. in 2021-22 & 2022-23. Investment made in 2020-21 also to be counted for meeting the mandated investment. Based on the investment and stipulated Minimum Sales over a six-year period from 2021-22 to 2026-27, the Applicant qualifies for incentives as prescribed under the Scheme.

(c) Export Promotion Capital Goods (EPCG) Scheme:

Under the EPCG scheme of the Foreign Trade Policy (FTP), importation of capital goods required for the manufacturing of export-oriented product specified in the Export Promotion Capital Goods Authorization is permitted at concessional/nil rate of duty. The scheme is subject to an export value equivalent to 6 times of duty saved on the importation of such capital goods within 6 years from the date of issuance of the authorization.

(d) Spice Board Incentives:

The programs under the scheme 'Export Development and Promotion' aims to support exporters to adopt high tech processing technologies or to upgrade existing level of technologies for high end value addition and to develop capabilities to meet the changing food safety standards in the importing countries. While encouraging the scientific processing facility /process upgradation, the Board focuses on quality and food safety in the whole supply chain of spice trade. Special major thrust areas are Infrastructure development, Research on new applications of spices & new product development, Promotion of Indian Spice Brand abroad, setting up of Infrastructure for common cleaning, grading, processing, packing, storing facilities (Spices Park) in major spice growing/marketing centers, promotion of organic spices, etc. The above involves reimbursement of Eligible Capital Expenditure subject to meeting certain qualifying criteria with relation to Export Obligations.

2. Special indirect tax benefits available to Shareholders

The Shareholders of the Company are not entitled to any special tax benefits under indirect tax laws.

NOTES:

1. The above Statement of indirect tax benefits sets out the special tax benefits available to the Company and its shareholders under the Indirect Tax Laws mentioned above.
2. These benefits are dependent on the Company fulfilling the conditions prescribed under the relevant provisions of the Indirect Tax Laws mentioned above.
3. This Statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his or her tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
4. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

For Orkla India Limited (formerly known as Orkla India Private Limited and MTR Foods Private Limited)


Suniana Calapa
Chief Financial Officer

Place: Bengaluru
Date: June 10, 2025

