



INDIAN PHOSPHATE LIMITED

Corporate Identity Numbers: U24142RJ1998PLC015271

Our Company was incorporated as “Indian Phosphate Limited” on December 14, 1998, as a public limited company vide Registration No. 015271 under the Companies Act, 1956 with a certificate of incorporation granted by the Registrar of Companies, Rajasthan, Jaipur (“RoC”) and was granted a certificate of commencement of business dated December 28, 1998 by Assistant Registrar of Companies, Rajasthan, Jaipur. The Corporate Identification Number of our Company is U24142RJ1998PLC015271. For details of change in name, registered office and Object of our Company, please refer to chapter titled “History and Corporate Matters” beginning on page no. 178 of this Red Herring Prospectus.

Registered Office & Corporate Office: Plot 638, Sector-11, Udaipur City, Girwa, Rajasthan- 313001, India
Website: www.indianphosphate.com; | E-Mail: investor@indianphosphate.com; | Telephone No: 0294-2946959 | Company Secretary and Compliance Officer: Ms. Khushboo Sharma

PROMOTERS OF OUR COMPANY: MR. RAVINDRA SINGH, MRS MAMTA ARORA, AND MR. RUSHIL ARORA

The Company is mainly engaged in the production of Linear Alkylbenzene Sulphonic Acid LABSA 90%, popularly known as LABSA, is an anionic surfactant and it is used in the formulation of all types of detergent powders, cakes, toilet cleaners and liquid detergents. We are also engaged in the manufacturing of “Single Super Phosphate” (SSP) fertilizer and “Granules Single Super Phosphate” (GSSP) Fertilizer which is manufactured and supplied as per the standards of Fertilizer Control Order of India in powder and granulated form as well as fortified with zinc and boron.

THE ISSUE

INITIAL PUBLIC ISSUE OF 6804000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH OF INDIAN PHOSPHATE LIMITED (“IPL” OR THE “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF ₹ [●]/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●]/- PER EQUITY SHARE (THE “ISSUE PRICE”) AGGREGATING TO ₹ [●] LAKHS (“THE ISSUE”), OF WHICH 373200 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH FOR CASH AT A PRICE OF ₹ [●]/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●]/- PER EQUITY SHARE AGGREGATING TO ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION i.e. NET ISSUE OF 6430800 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH AT A PRICE OF ₹ [●]/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●]/- PER EQUITY SHARE AGGREGATING TO ₹ [●] LAKHS IS HEREIN AFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 27.23% AND 25.73%, RESPECTIVELY, OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10/- EACH.

The Issue is being made in accordance with Chapter IX of the SEBI ICDR Regulations (IPO of Small and Medium Enterprises) and the equity shares are proposed to be listed on Emerge Platform of NSE

For further details, please refer chapter titled “Terms of The Issue” beginning on Page No. 261 of the Red Herring Prospectus.

- QIB Portion: Not More than 50% of the Net Issue
- Retail Individual Bidders Portion: Not Less than 35% of the Net Issue
- Non-Institutional Bidders Portion: Not Less than 15% of the Net Issue

Price Band: ₹ 94/- to ₹ 99/- per Equity Share of Face Value ₹ 10/- each.

The Floor Price is 9.4 times of the Face Value and the Cap Price is 9.90 times of the Face Value.

Bids can be made for a minimum of 1200 Equity Shares and in multiples of 1200 Equity Shares thereafter

In making an investment decision, potential investors must 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:

- I. We have extended Corporate Guarantee on behalf of one of our Group Companies.
- II. The Company is dependent on few numbers of customers for sales. Loss of any of this large customer may affect our revenues and profitability.
- III. We have certain contingent liabilities, which, if they materialize, may affect our results of operations, financial condition, and cash flows.
- IV. We have certain outstanding litigation against our Company, an adverse outcome of which may adversely affect our business, reputation and results of operations.
- V. Our business is operating under various laws which require us to obtain approvals from the concerned statutory/regulatory authorities in the ordinary course of business and our inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals for our business operations could materially and adversely affect our business, prospects, results of operations and financial condition.
- VI. We derive 78.66%, 67.96% and 62.29% of our revenue from operation from one customer during the fiscal ending on March 31, 2024, 2023 and 2022. If such customer choose not to source their requirement from us, our business, financial condition and result of operation may be adversely affected.
- VII. We do not have long-term agreements with suppliers for our raw materials and an increase in the cost of, or a

shortfall in the availability or quality of such raw materials could have an adverse effect on our business and results of operations.

VIII. We do not own our Registered Office and Production Unit. A failure to renew our existing lease arrangements at commercially favourable terms or at all may have a material adverse effect on our business, financial condition, and results of operations.

IX. Our Restated Financial Statements are prepared and signed by the Peer Review Auditor who is not Statutory Auditors of our Company as required under the provisions of ICDR.

X. Out of total cost of Plant & Machinery worth ₹ 2817.40 lakhs, we have not yet placed order for any of such Plant & Machinery.

XI. The Merchant Banker associated with the Issue has handled 45 public Issue out of which 2 Issue closed below Issue price on listing date. Below are the details;

Particulars	Numbers of Issues/Issue Handled	Issues closed below Issue price on listing date
Main Board	Nil	Nil
SME	45	2

ASBA*

Simple, Safe, Smart way of Application- Make use of it !!!

*Applications Supported by Blocked Amount (ASBA) is a better way of applying to Issues by simply blocking the fund in the bank account, investors can avail the same. For details, check section on ASBA below. Mandatory in Public Issues from January 01, 2016. No cheque will be accepted



UPI-Now available in ASBA for Retail Individual Investors (RII)**

Investors are required to ensure that the bank account used for bidding is linked to their PAN. UPI – Now available in ASBA for RIIs applying through Registered Brokers, DPs & RTAs. RIIs also have the option to submit the application directly to the ASBA Bank (SCSBs) or to use the facility of linked online trading, demat and bank account.

Investors have to apply through the ASBA process. “ASBA has to be availed by all the investors except anchor investor. UPI may be availed by Retail Individual Investors. For details on the ASBA and the UPI process, please refer to the details given in ASBA form and abridged prospectus and also please refer to the section “Issue Procedure” beginning on page 272 of the RHP. The process is also available on the website of Association of Investment Bankers of India (“AIBI”), the Stock Exchanges and in the General Information Document.

*ASBA forms can be downloaded from the website National Stock Exchange of India (“NSE”) and can be obtained from the list of banks that is displayed on the website of SEBI at www.sebi.gov.in.

**List of banks supporting UPI is also available on the website of SEBI at www.sebi.gov.in. Axis Bank Limited has been appointed as Sponsor Bank for the Issue, in accordance with the requirements of the SEBI circular dated November 1, 2018, as amended. For UPI related queries, investors can contact NPCI at the toll-free number-18001201740 and Mail id- ipo.npci.org.in. For the list of UPI Apps and Banks live on IPO, please refer to the link www.sebi.gov.in. For Issue related grievance investors may contact: Beeline Capital Advisors Private Limited - Mr. Nikhil Shah (079 – 49185784/ +91 99988 81702) (mb@beelinemb.com).

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the Book Running Lead Manager on the basis of the assessment of market demand for the Equity Shares through the Book Building Process and on the basis of quantitative and Equity Qualitative factors as described below. The face value of the Equity Shares is ₹ 10 each and the Issue Price is 9.40 times the face value at the lower end and 9.90 times the face value at the higher end of the Price Band. Investors should also refer to “Business Overview”, “Risk Factors”, “Restated Financial Information” and “Management’s Discussion and Analysis of Financial Position and Results of Operations” beginning on pages 116, 25, 181 and 183, respectively of the Red Herring Prospectus, to have an informed view before making an investment decision.

Qualitative Factors

- Cost Effective sourcing and Strategic Location of Manufacturing Unit
- Quality assurance
- Leveraging the expertise of our Promoters and Management Team
- Forward integration and Diversification

For details of qualitative factors, please refer to the paragraph “Our Competitive Strengths” in the chapter titled “Business Overview” beginning on page no. 142 of this Red Herring Prospectus.

Quantitative Factors

Basic & Diluted Earnings Per Share (EPS):

Basic earnings per share (₹) = $\frac{\text{Restated Standalone Profit After Tax attributable to Equity Shareholders}}{\text{Weighted Average Number of Equity Shares outstanding}}$

Diluted earnings per share (₹) = $\frac{\text{Restated Standalone Profit After Tax attributable to Equity Shareholders}}{\text{Weighted Average Number of Equity Shares outstanding after adjusting adjusted for the effects of all dilutive potential equity shares}}$

Weighted Average EPS

Financial Year/Period	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weights
Financial Year ended March 31, 2024	7.41	7.41	3
Financial Year ended March 31, 2023	9.13	9.13	2
Financial Year ended March 31, 2022	8.89	8.89	1
Weighted Average	8.23	8.23	-

Notes:

1. Earnings per share is computed in accordance with AS 20 with taking the effect of the following:

- Our Board of Directors in its meeting held on January 23, 2024 approved issue of 57 (Fifty-Seven) bonus shares fully paid for 10 (Ten) equity share of ₹ 10/- each (i.e. in the ratio of 57:10), which were subsequently duly approved by our Shareholders in their extra ordinary general meeting held on February 08, 2024 pursuant to which allotment was made on February 13, 2024.

2. Weighted Average = Aggregate year-wise EPS divided by the aggregate of weights i.e. (EPS x weight) for each year / Total of weights.

3. The face value of each Equity Share is ₹ 10.

Simple Average EPS :

Financial Year/Period	Basic and Diluted EPS (in ₹)
Financial Year ended March 31, 2024	7.41
Financial Year ended March 31, 2023	9.13
Financial Year ended March 31, 2022	8.89
Simple Average	8.47

Notes:

1. Earnings per share is computed in accordance with AS 20 with taking the effect of the following:

- Our Board of Directors in its meeting held on January 23, 2024 approved issue of 57 (Fifty-Seven) bonus shares fully paid for 10 (Ten) equity share of ₹ 10/- each (i.e. in the ratio of 57:10), which were subsequently duly approved by our Shareholders in their extra ordinary general meeting held on February 08, 2024 pursuant to which allotment was made on February 13, 2024.

2. Simple average = Aggregate year-wise EPS divided by the aggregate of number of years i.e. sum of EPS for each year / Total of number of years.

3. The face value of each Equity Share is ₹ 10.

Price to Earnings (P/E) ratio in relation to Price Band of ₹ 94 and ₹ 99 per Equity Shares:

Price to Earnings Ratio(P/E) = $\frac{\text{Floor Price/ Cap Price}}{\text{Restated Standalone Earnings Per Share}}$

Particulars	Basic and Diluted EPS (in ₹)	P/E at the Floor Price (No. of times) **	P/E at the Cap Price (No. of times) **
a. Based on EPS of Financial Year ended March 31, 2024	7.41	12.69	13.36
b. Based on Weighted Average EPS	8.23	11.42	12.03
c. Based on Simple Average EPS	8.47	11.10	11.69

Industry PE:

Particulars	Industry Peer P/E Ratio	Name of the company	Face value of equity shares (₹)
Highest	Negative	Rama Phosphates Limited	10.00
Lowest	Negative	Rama Phosphates Limited	10.00
Average	Negative	Rama Phosphates Limited	10.00

Return on Net Worth:

Return on Net Worth (%) = $\frac{\text{Restated Standalone Profit After Tax attributable to Equity Shareholders}}{\text{Closing Net Worth}} \times 100$

Financial Year/Period	Return on Net Worth (%)	Weights
Financial Year ended March 31, 2024	16.63%	3
Financial Year ended March 31, 2023	24.58%	2
Financial Year ended March 31, 2022	31.75%	1
Weighted Average	21.80%	

Note: Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year / Total of weights.

Net Asset Value per Equity Share:

Restated Net Asset Value per equity share (₹) = $\frac{\text{Restated Standalone Net Worth as at the end of the year}}{\text{Number of Equity Shares outstanding}}$

Particular	Amount (in ₹)
Financial Year ended March 31, 2024	44.54
Financial Year ended March 31, 2023	37.13
Financial Year ended March 31, 2022	28.00
After the Issue	
-At Floor Price	58.00
-At Cap Price	59.36
-At Issue Price*	[●]

*To be determined after the book-building process

Notes:

1. Number of shares are adjusted by following:

- Our Board of Directors in its meeting held on January 23, 2024 approved issue of 57 (Fifty-Seven) bonus shares fully paid for 10 (Ten) equity share of ₹ 10/- each (i.e. in the ratio of 57:10), which were subsequently duly approved by our Shareholders in their extra ordinary general meeting held on February 08, 2024 pursuant to which allotment was made on February 13, 2024.

2. Issue Price per equity share will be determined by our Company, in consultation with the Book Running Book Running Lead Manager.

Comparison of Accounting Ratios with Peer Group Companies:

Name of the company	Standalone / Consolidated	Face Value (₹)	Current Market Price (₹) @	EPS (₹) Basic	P/E Ratio	RoNW (%)	NAV per Equity Share (₹)	Revenue from operations (₹ in Lakhs)
Indian Phosphate Limited	Standalone	10.00	99	7.41	13.36	16.63%	44.54	70,417.94
Indian Phosphate Limited	Consolidated	10.00	99	6.65	14.89	15.01%	44.34	71,487.02
Peer Group*								
Rama Phosphates Limited	Standalone	10.00	160.60	(17.56)	Negative	(8.81%)	199.41	60,316.82

Source: All the financial information for listed industry peer mentioned above is on a standalone basis sourced from the Annual Reports/Information of the peer company uploaded on the NSE/BSE website for the year ended March 31, 2024.

Notes:

1. P/E Ratio has been computed based on the closing market price of equity shares on the NSE/BSE on March 28, 2024 divided by the Diluted EPS.

2. RoNW is computed as net profit after tax divided by the closing net worth. Net worth has been computed as sum of share capital and reserves and surplus.

3. NAV is computed as the closing net worth divided by the closing outstanding number of equity shares adjusted for bonus shares.

4. The face value of Equity Shares of our Company is ₹ 10/- per Equity Share and the Issue price is [●] times the face value of equity share.

5. The Issue Price will be determined by our Company in consultation with the Book Running Lead Manager is justified based on the above accounting ratios.

For further details, please refer to the section titled “Risk Factors” and chapters titled “Business Overview” and “Restated Financial Information” beginning on page nos. 30, 142 and 211 respectively of this Red Herring Prospectus.

@ Assuming at Cap price

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