



Paradeep Phosphates Limited

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# PARADEEP PHOSPHATES LIMITED

Our Company was initially incorporated as "Paradeep Phosphates Limited" a private limited company, in Odisha, under the Companies Act, 1956, pursuant to a certificate of incorporation dated December 24, 1981, granted by the Registrar of Companies, Odisha at Cuttack. Our Company was granted an exemption under Section 620 of the Companies Act, 1956 from using the term "private" as part of its name. Our Company was thereafter converted to a public company pursuant to a special resolution passed by our Shareholders on April 29, 2002. For details in relation to changes in the registered office of our Company, see "History and Certain Corporate Matters" beginning on page 221 of the Red Herring Prospectus dated May 6, 2022 ("RHP").  
Registered Office: 5th Floor, Orissa State Handloom Weavers' Co-Operative Building, Pandit J.N Marg, Bhubaneswar - 751 001, Odisha, India. Corporate Office: 3rd Floor, Adventz Centre, 28, Union Street, Off. Cubbon Road, Bengaluru - 560 001, Karnataka, India. Contact Person: Sachin Patil, Company Secretary and Compliance Officer: Tel: +91 080 45855561; E-mail: cs.ppl@adventz.com; Website: www.paradeepphosphates.com; Corporate Identity Number: U24129OR1981PLC001020



OUR PROMOTERS: ZUARI MAROC PHOSPHATES PRIVATE LIMITED, ZUARI AGRO CHEMICALS LIMITED, OCP S.A AND THE PRESIDENT OF INDIA, ACTING THROUGH THE DEPARTMENT OF FERTILIZERS, MINISTRY OF CHEMICALS AND FERTILIZERS, GOVERNMENT OF INDIA\*

\*While the GoI is one of the Promoters of our Company and will continue to be so until completion of the Offer, please note that the GoI is proposing to sell its entire shareholding in the Company through the Offer for Sale and it has represented that it will cease to be a Promoter of the Company on the listing of the Equity Shares pursuant to the Offer. The Company will take suitable steps to declassify the GoI as a Promoter in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 post listing of the Equity Shares pursuant to the Offer.

INITIAL PUBLIC OFFER OF UP TO [•] EQUITY SHARES OF FACE VALUE OF ₹10 EACH (THE "EQUITY SHARES") OF PARADEEP PHOSPHATES LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [•] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [•] PER EQUITY SHARE) (THE "OFFER PRICE") AGGREGATING TO ₹ [•] MILLION COMPRISING A FRESH ISSUE OF UP TO [•] EQUITY SHARES AGGREGATING TO ₹ 10,040.00 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 118,507,493 EQUITY SHARES AGGREGATING TO ₹ [•] MILLION COMPRISING UP TO 6,018,493 EQUITY SHARES AGGREGATING TO ₹ [•] MILLION BY ZUARI MAROC PHOSPHATES PRIVATE LIMITED ("ZMPPL") AND UP TO 112,489,000 EQUITY SHARES AGGREGATING TO ₹ [•] MILLION BY THE PRESIDENT OF INDIA, ACTING THROUGH THE MINISTRY OF CHEMICALS AND FERTILIZERS, GOVERNMENT OF INDIA (THE "GoI" AND TOGETHER WITH ZMPPL, THE "SELLING SHAREHOLDERS" AND SUCH EQUITY SHARES OFFERED BY THE SELLING SHAREHOLDERS, THE "OFFERED SHARES") (SUCH OFFER FOR SALE BY THE SELLING SHAREHOLDERS, THE "OFFER FOR SALE" AND TOGETHER WITH THE FRESH ISSUE, "THE OFFER"). THE OFFER SHALL CONSTITUTE [•]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

**QIB Portion: Not more than 50% of the Offer**  
**Non-Institutional Portion: Not less than 15% of the Offer**  
**Retail Portion: Not less than 35% of the Offer**  
**(Retail Individual Bidders are those who have Bid for the Equity Shares for an amount not more than ₹ 200,000 in the Offer)**

**PRICE BAND: ₹ 39 TO ₹ 42 PER EQUITY SHARE OF FACE VALUE OF ₹10 EACH.**  
**THE FLOOR PRICE IS 3.9 TIMES THE FACE VALUE OF THE EQUITY SHARES AND**  
**THE CAP PRICE IS 4.2 TIMES THE FACE VALUE OF THE EQUITY SHARES.**  
**BIDS CAN BE MADE FOR A MINIMUM OF 350 EQUITY SHARES AND**  
**IN MULTIPLES OF 350 EQUITY SHARES THEREAFTER.**

### Risks to Investors

- The Offer Price at upper end of the price band is ₹ 42 per Equity Share. However, the average cost of acquisition per Equity Shares for the Selling Shareholders is as follows:

Name of the Selling shareholder	Avg. cost of acquisition per Equity Share as on the date of the RHP (in ₹)
Zuari Maroc Phosphates Private Limited	₹ 7.37
The President of India, acting through the Ministry of Chemicals And Fertilizers, Government of India	₹ 10

- The Offer Price and price to earnings ratio based on the Offer Price of our Company, may not be indicative of the market price of our Company on listing or thereafter. The details of our price to earnings ratio on the upper end of the price band i.e. ₹ 42 per Equity Share is given below:

Particulars	Price to earnings ratio (based on basic EPS)
For the year ended March 31, 2021	10.82

For details of price to earnings ratio for our listed peers that have a similar business profile to us, please see "Basis For Offer Price" section of the RHP.

- We intend to acquire the Goa Facility, which has incurred a loss in the last three financial years and Nine months period ending December 31, 2021 and it may have an adverse effect on our business, results of operations and financial condition.
- We have historically derived a significant portion of our revenues from operations from a limited number of states like Maharashtra, Uttar Pradesh and Odisha and any adverse developments in these states could adversely affect our business.
- Our Company will not receive any proceeds from the Offer for Sale.
- We handle and use hazardous materials in our manufacturing activities and the improper handling or storage of these materials could result in accidents, injure our personnel, property and damage the environment.
- Climate change and climate change related laws and regulations concerning the fertilizer industry may adversely impact our operations and markets and in the event that such regulations are enacted, we may experience significant increases in our costs of operations.
- The details of issues handled by BRLMs which closed below the offer price on the listing date in the current and past 2 fiscal years, are as below:

BRLMs	Total Issues	Issues closed below IPO Price on listing date
Axis*	16	4
I-Sec*	9	1
JM Financial*	8	1
SBICAP*	2	1
Common issues of above BRLMs	31	14
Total	66	21

\*Issues handled where there were no common BRLMs