



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

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BID/OFFER PROGRAMME

ANCHOR INVESTOR BIDDING DATE: FRIDAY, MAY 13, 2022*

BID/OFFER OPENS ON : TUESDAY, MAY 17, 2022**

BID/OFFER CLOSES ON : THURSDAY, MAY 19, 2022[#]

* Our Company and the Selling Shareholders in consultation with the BRLMs may consider participation by Anchor Investors, in accordance with the SEBI/ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/ Offer Opening Date i.e. Friday, May 13, 2022.
** Our Company and the Selling Shareholders in consultation with the BRLMs may decide to close the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date.
[#] UPI Mandate end time and date shall be at 12:00 pm on May 20, 2022.

In case of any revision in the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/Offer Period not exceeding 10 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/Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer 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 respective websites of the Book Running Lead Managers and at the terminals of the Syndicate Members and by intimation to Designated Intermediaries and the Sponsor Banks, as applicable.

The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (“SCRR”) read with Regulation 31 of the SEBI ICDR Regulations and in compliance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50 % of the Offer shall be allocated on a proportionate basis to Qualified Institutional Buyers (“QIBs”, the “QIB Portion”), provided that our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations (“Anchor Investor Portion”), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to all QIB Bidders (other than Anchor Investors). Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders, of which (a) one-third portion shall be reserved for applicants with application size of more than ₹200,000 and up to ₹1,000,000; and (b) two-thirds portion shall be reserved for applicants with application size of more than ₹1,000,000, 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, subject to valid Bids being received at or above the Offer Price Not less than 35% of the Offer 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 Offer Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilise the Application Supported by Blocked Amount (“ASBA”) process providing details of their respective ASBA accounts, and UPI ID in case of RIBs using the UPI Mechanism, if applicable, in which the corresponding Bid Amounts will be blocked by the 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 Offer through the ASBA process. For details, see “Offer Procedure” beginning on page 551 of the RHP.

Bidders/ Applicants should ensure that DP ID, PAN, Client ID and UPI ID (for UPI Bidders bidding through the UPI mechanism) are correctly filled in the Bid cum Application Form. The DP ID, PAN and Client ID provided in the Bid cum Application Form should match with the DP ID, PAN, Client ID available 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 UPI Bidders bidding through the UPI mechanism) as provided in the Bid cum Application Form, the Bidder/Applicant may be deemed to have authorised the Depositories to provide to the Registrar to the Offer, 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 Offer. 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 CBDT notification dated Feb 13, 2020 and press release dated June 25, 2021.

Contents of the Memorandum of Association of the Company as regards its objects: For information on the main objects of the Company, please see the section “History and Certain Corporate Matters” on page 221 of the RHP. The Memorandum of Association of the Company is a material document for inspection in relation to the Offer. For further details, please see the section entitled “Material Contracts and Documents for Inspection” on page 582 of the RHP.

Liability of the members of the Company: Limited by shares

Amount of share capital of the Company and Capital structure: As on the date of the RHP, the authorised share capital of the Company is ₹ 9,000,000,000 divided into 900,000,000 Equity Shares of ₹ 10 each and ₹ 1,000,000,000 divided into 10,000,000 7% preference shares of face value of ₹ 100 each. The issued, subscribed and paid-up share capital of the Company is ₹ 5,754,500,000 divided into 575,450,000 Equity Shares of ₹ 10 each. For details, please see the section entitled “Capital Structure” beginning on page 74 of the RHP.

Names of signatories to the Memorandum of Association of the Company and the number of Equity Shares subscribed by them: The names of the signatories of the Memorandum of Association of our Company are S. M. Kelkar, V. Kumar and Sebastian Jacob. For details of the share capital history and capital structure of our Company, please see the section entitled “Capital Structure” beginning on page 74 of the RHP.

Listing: The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on the Stock Exchanges. We have received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated September 7, 2021 and September 8, 2021, respectively. For the purpose of this Offer, BSE Limited is the Designated Stock Exchange. A signed copy of the Red Herring Prospectus has been and the Prospectus shall be filed with the RoC in accordance with Section 26(4) of the Companies Act 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/ Offer Closing Date, see “Material Contracts and Documents for Inspection” on page 582 of the RHP.

Disclaimer Clause of the 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 Offer or the specified securities or the offer document. The investors are advised to refer to page 533 of the RHP for the full text of the disclaimer clause of SEBI.

Disclaimer Clause of BSE (Designated Stock Exchange) : It is to be distinctly understood that the permission given by BSE should not in any way be deemed or construed that the RHP has been cleared or approved by BSE nor does it certify the correctness or completeness of any of the contents of the RHP. The investors are advised to refer to page 535 of the RHP for the full text of the disclaimer clause of BSE.

Disclaimer Clause of NSE : It is to be distinctly understood that the permission given by NSE should not in any way be deemed or construed that the Offer Document has been cleared or approved by NSE nor does it certify the correctness or completeness of any of the contents of the Offer Document. The investors are advised to refer to page 535 of the RHP for the full text of the disclaimer clause of NSE.


General Risks: Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the SEBI nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to “Risk Factors” beginning on page 27 of the RHP.

ASBA[#]

Simple, Safe, Smart way of Application!!!

Applications supported by blocked amount (ASBA) is a better way of applying to issues by simply blocking the fund in the bank account, For further details, check section on ASBA below.







Mandatory in public issues. No cheque will be accepted.



UPI-Now available in ASBA for UPI Bidders* applying through Registered Brokers, DPs and RTAs. Retail Individual Investors and Non-Institutional Bidders 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 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 notification dated February 13, 2020 and press release dated June 25, 2021

*UPI-Now available in ASBA for all individual investors applying in public issues where the application amount is up to ₹ 500,000, applying through Registered Brokers, Syndicate, DPs & RTAs.

ASBA has to be availed by all the investors except anchor investors UPI maybe availed by (i) Retail Individual Bidders Bidding in the Retail Portion, and (ii) Individual Non-Institutional Bidders Bidding 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 ASBA form and abridged prospectus and also please refer to the section “Offer Procedure” on page 551 of the RHP. The process is also available on the website of Association of Investment Bankers of India (“AIBI”), BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”), and together with BSE, the “Stock Exchanges”) and in the General Information Document. ASBA bid-cum-application forms can be downloaded from the websites of 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&intmid=35 and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmid=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. RIBs 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. ICICI Bank has been appointed as Sponsor Bank for the Offer, in accordance with the requirements of the SEBI Circular dated November 1, 2018 as amended. For offer related queries, please contact the Book Running Lead Managers (“BRLMs”) on their respective 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.

BOOK RUNNING LEAD MANAGERS				REGISTRAR TO THE OFFER	COMPANY SECRETARY AND COMPLIANCE OFFICER
					
Axis Capital Limited 1 st Floor, Axis House, C-2, Wadia International Centre, P.B. Marg, Worli, Mumbai - 400 025, Maharashtra, India Tel: + 91 22 4325 2183 E-mail: ppl ipo@axiscapital.in Website: www.axiscapital.co.in Investor grievance e-mail: complaints@axiscap.in Contact person: Ankit Bhatia / Jigar Jain SEBI Registration No.: INM000012029	ICICI Securities Limited ICICI Venture House, Appasaheb Marathe Marg Prabhadevi, Mumbai - 400 025, Maharashtra, India Tel: +91 22 6807 7100 E-mail: ppl ipo@icicisecurities.com Website: www.icicisecurities.com Investor Grievance E-mail: customercare@icicisecurities.com Contact Person: Rupesh Khant SEBI Registration No.: INM000011179	JM Financial Limited 7 th Floor, Chenergy Appasaheb Marathe Marg Prabhadevi, Mumbai - 400 025, Maharashtra, India Tel: +91 22 6630 3030 E-mail: paradeep.ipo@jmfml.com Investor Grievance E-mail: grievance.ibd@jmfml.com Website: www.jmfml.com Contact Person: Prachee Dhuri SEBI Registration No.: INM000010361	SBI Capital Markets Limited 202, Marker Tower 'E', Cuffe Parade, Mumbai -400 005 Maharashtra, India Tel: +91 22 2217 8300 E-mail: ppl.ipo@sbicaps.com Website: www.sbicaps.com Investor grievance e-mail: investor.relations@sbicaps.com Contact person: Karan Savardekar SEBI Registration No.: INM000003531	Link Intime India Private Limited C-101, 1st Floor, 247, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai - 400 083, Maharashtra, India Tel: +91 22 4918 6200 E-mail: ppl.ipo@linkintime.co.in Investor grievance e-mail: ppl.ipo@linkintime.co.in Website: www.linkintime.co.in Contact Person: Ms. Shanti Gopalkrishnan SEBI Registration No.: INR000004058	Sachin Patil Level-11, UB Towers, UB City No. 24, Vittal Mallya Road, Bangalore - 560 001, Karnataka Tel: +91 80 45855561 E-mail: cs.ppl@adventz.com Investors may contact the Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related grievances including non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, Investors may also write to the BRLMs.
AVAILABILITY OF THE RHP: Investors are advised to refer to the RHP and the “Risk Factors” beginning on page 27 of the RHP, before applying in the Offer. A copy of the RHP shall be available on website of SEBI at www.sebi.gov.in and is available on the websites of the BRLMs, i.e. Axis Capital Limited, ICICI Securities Limited, JM Financial Limited and SBI Capital Markets Limited at www.axiscapital.co.in , www.icicisecurities.com , www.jmfml.com and www.sbicaps.com , respectively and on the websites of BSE and NSE at www.bseindia.com and www.nseindia.com , respectively.					
AVAILABILITY OF BID CUM APPLICATION FORMS: Bid cum Application Forms can be obtained from the Registered Office of PARADEEP PHOSPHATES LIMITED , Tel: +91 080 45855561; BRLMs : Axis Capital Limited , Tel: + 91 22 4325 2183; ICICI Securities Limited , Tel: +91 22 6807 7100, JM Financial Limited , Tel: +91 22 6630 3030 and SBI Capital Markets Limited , Tel: +91 22 2217 8300. Syndicate Members: Investec Capital Services (India) Private Limited , Tel: +91 22 6849 7400; JM Financial Services Limited , Tel: +91 22 6136 3400 and SBICAP Securities Limited , Tel: +91 22 6931 6204 and at the select locations of the Sub-syndicate Members (as given below), SCSBs, Registered Brokers, RTAs and CDPs participating in the Offer. ASBA Forms will also be available on the websites of BSE and NSE and the Designated Branches of SCSBs, the list of which is available at websites of the Stock Exchanges and SEBI.					
Sub-Syndicate Members: Amrapali Capital & Finance Services Limited, Anand Rathi Share & Stock Brokers Limited, Anand Share Consultancy, ANS Pvt Limited, Ashwani Dandia & Co, Axis Securities Limited, Centrum Broking Ltd., Centrum Wealth Management Ltd, Choice Equity Broking Private Limited, DB(International) Stock Brokers Ltd, Edelweiss Broking Ltd, Eureka Stock & Share Broking Services Ltd, G Raj & Co. (Consultants) Limited, Globe Capital Market Ltd, HDFC Securities Ltd, IDBI Capital Markets and Securities Ltd, IIFL Securities Ltd, Jhaveri Securities, Jobanputra Fiscal Services Pvt Limited, Kalpataru Multiplier Limited, Kamlesh D Joshi, Kotak Securities Ltd, LKP Securities Ltd, Inventure Growth & Securities Ltd, Marwadi Shares & Finance, Motilal Oswal Financial Services Limited, Motilal Oswal Securities Ltd, Mukesh D Joshi, Nirmal Bank Securities Pvt Limited, Patel Wealth Advisors Pvt Limited, Prabudas Lilladher Pvt. Ltd, Pravin Ratilal Share & Stock Brokers Ltd, Religare Broking Ltd, RR Equity Brokers Pvt. Ltd, Sharekhan Ltd, SMC Global Securities Ltd, Systematic Shares and Stock Brokers Ltd, Tanna Financial Services, Trade Bulls Securities (P) Ltd, Tradebulls Securities Limited, Way2wealth brokers Pvt Ltd and Yes Securities (India) Limited</					