



# Paradeep Phosphates Limited

Nourishing the Future - Feeding the Nation



- 
- **PPL Investment Case**
  - **Industry Dynamics**
  - **Environment, Social and Governance**
  - **Financial Performance Highlights**



# PPL Investment Case

## Paradeep Phosphates is India's second largest integrated phosphatic private sector company

- Paradeep Phosphates Limited (PPL) is India's second largest private sector phosphatic company with a capacity of 3.0 MMTPA (finished fertilizers NPK, DAP and Urea)
- Diverse consumer product portfolio of phosphatic grades of fertilizer:
  - N-10, N-12, and N-20: Core NPK products
  - N-14, N-19 and N-28: Recent NPK products
  - DAP
- Industrial supplier of Phospho-gypsum, Zypmite, Sulphuric Acid and Hydrofluorosilicic Acid (HFSA)
- PPL also trades in Muriate of Potash (MOP)
- Two manufacturing plants in Paradeep (1.8 MMTPA) and Goa (1.2 MMTPA) with ISO 9001, ISO 14001, ISO 45001 and ISO 50001
- PPL's recently acquired Goa plant has co-located facilities manufacturing both phosphatic fertilizers and urea
- Well-diversified customer market across India covering 16 states with 21 regional offices, 510 stock points and 5,322 dealers
- Zuari Agro Chemicals (ZACL) and OCP Group hold 56.1% of PPL post IPO on 27<sup>th</sup> May, 2022

**3.0 MMTPA**

Installed Capacity

**16 States**

Geographical Presence

**Rs. 78,587 million**

FY22 Revenue

**+1,500**

Employees

**19.7% 15.0%**

FY22 ROE ROCE

**+8 million**

Farmer Connect

**1.06x**

FY22 Net Debt / Equity

**ICRA A-1 Stable**

Credit Rating

## Backward integration resulted in best-in-class EBITDA / tonne in an industry with attractive dynamics

1

### Well-positioned to capture favorable Indian fertilizer market with enabling and conducive government regulations

- PPL will be able to capture a major share of growth in DAP / NPK arising out of higher demand for fruits and vegetables, sugarcane and cotton
- PPL is supported by certified manufacturing facilities, backward integration and an extensive distribution network

2

### Second largest private phosphatic fertiliser manufacturer

- India's 2<sup>nd</sup> largest private phosphatic fertiliser company
- Post acquisition of Goa Plant, enhanced capacity of DAP and NPK from 1.2 MMTPA to 2.6 MMTPA
- Total PPL finished fertiliser capacity of 3.0 MMTPA
- Incremental capacity will enable PPL to bridge the domestic supply gap and drive market share across East, West and South India
- Diversified customer market across India covering 16 states with 21 regional offices, 510 stock points, 5,322 dealers and 8 million farmers reach

3

### Best-in-class EBITDA per tonne in the industry led by backward integration

- PPL has a long-term agreement with the OCP Group (Morocco), the global leader in phosphates having >70% of global phosphate reserves
- OCP Group is also part of the promoter group and strategically important given India imports most of its raw material for phosphatic fertilizer
- OCP Group relationship secures PPL's requirements of phosphatic fertilizers and raw material

4

### Secure and certified manufacturing facility and infrastructure and unutilised land available for expansion

- PPL owns large parcels of land of 2,282 acres in Paradeep and the existing manufacturing facility is constructed on 33% of the land
- The company has the capacity to expand facilities on the remaining portion of the land
- The ability to store raw materials at its own facility enables it to withstand disruptions in supply

# Competitive Positioning



## Manufacturing Capabilities

### Paradeep capacity 1.8 MTPA:

NPK / DAP – 1.8 MTPA

### Goa capacity 1.2 MTPA:

NPK / DAP – 0.80 MTPA

Urea – 0.40 MTPA

More than 78% reduction in power cost from Sulphuric Acid production



## Comprehensive Product Portfolio

### Consumer product portfolio:

Five grades of NPK

DAP

### Industrial product portfolio:

Phospho-gypsum, Zypmite, Sulphuric Acid and HFSA

Availability of extensive storage area for raw materials and finished goods



## Backward integration of rock phosphate

### Raw material:

Stable source of raw materials, especially rock phosphate, by entering into long-term agreements with suppliers

Operational volatility hedge with backward integration of facilities



## Logistics Advantage

### Paradeep plant:

Proximity to Paradeep port and seamless access to waterways, railways and highways

Ability to expand facilities given one third of land currently utilized

### Goa plant:

Strategically located close to the Mormugao port with captive power plant



## Well Established Sales and Distribution Network

### Consolidated pan india network:

21 regional marketing offices

510 stock points across India

5,322 dealers

72,925 retailers



## Experienced Board and Management

### Independent Board of Directors:

4 out of 8 Board of Directors are independent

### Non-Executive Board of Directors:

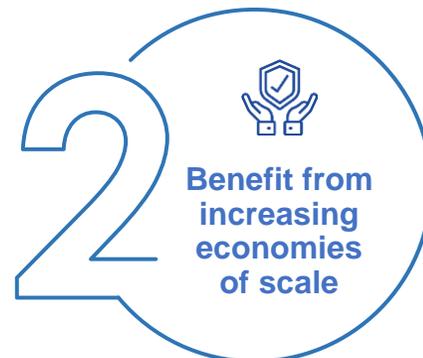
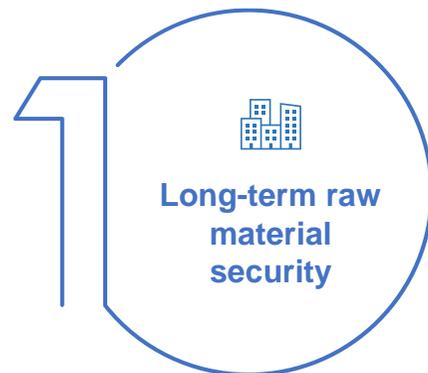
88% of the Board of Directors are non-executive

## Established long-term agreements with suppliers to ensure a secure and competitive cost structure

### Primary Raw Materials

- Phosphate Rock
  - Phosphoric Acid
  - Ammonia
  - Sulphur
  - Muriate of Potash
- PPL sources raw materials locally and primarily from Morocco, Jordan, Qatar, Saudi Arabia and Canada
  - Long-term agreement with the OCP Group (Morocco), also part of the promoter group
  - OCP Group holds 70% of all global phosphate reserves and is the global leader in phosphates
  - PPL has long-term contracts for the import of rock phosphates control the overall manufacturing cost
  - Backward integrated to more than 90% requirement of its own phosphoric acid
  - A strong backward integration capability provides for self-sufficiency in power production

### Strong relationships with suppliers enables:



## PPL's brands - Jai Kisaan and Navratna - enjoy a strong equity amongst farmers across India



- Strong product portfolio with increased diversity and dominant position in key variants
- Holds Best Brand Platinum Award 2021 in Corporate Excellence category
- Improving market position through investment in brand building and campaigns
- Expanding and diversifying product portfolio by leveraging the brands 'Jai Kisaan' and 'Navratna' which has an exceptional brand equity amongst farmers, dealers and retailers
- The continuous innovation and development of PPL products is part of the commitment to sustainability and environmental stewardship

Well diversified product portfolio to cover the entire range of the non urea fertilizer market



**DAP**



**NPK - 20**



**NPK - 10**



**NPK - 12**

- DAP is highest selling phosphate in India (~10 Million tons annually and >50% share in phosphates)
- Granulated, high quality, water-soluble, complex mineral fertilizer containing primarily of 18% Ammoniacal Nitrogen by weight and 46% Phosphate by weight
- Suitable for all types of soils and can be used as a base fertilizer for all crops

- NPK 20 is 2<sup>nd</sup> highest selling phosphate in India after DAP
- Contains Ammonia, Phosphate and Sulphate in the ratio of 20:20:0:13
- Enhances the yield and quality of crops such as oil seeds, pulses, onions, soybean, garlic, sugarcane, paddy and cotton

- Contains Nitrogen, Phosphorus and Potassium in the ratio of 10:26:26
- Suitable for all types of soil
- Presence of 1:1 ratio of Phosphorus and Potassium makes it suitable for crops such as sugarcane and potatoes

- Contains Nitrogen, Phosphorus and Potassium in the ratio of 12:32:16
- Suitable for all types of soil and enhances the yield and quality of crops such as onions, tobacco, ginger, garlic, tomato, cabbage and oil seeds

## Innovative high margin products that improve soil health and yield

### Phospho-gypsum

- Phospho-gypsum contains Sulphur and Calcium in the ratio of 17:21 and suitable for alkaline soils
- Suitable for alkaline soils and is the cheapest sulphur containing product which has acceptance in all parts of the country
- Enhances the yield and quality of crops such as rice, pulses, oil seeds and sugarcane

### Zypmite

- Zypmite is a micronutrient mixture containing Sulphur, Zinc, Boron, Calcium and Magnesium
- Improve the soil fertility, increasing the intake of NPK fertilizers and improving the quality of yield of crops

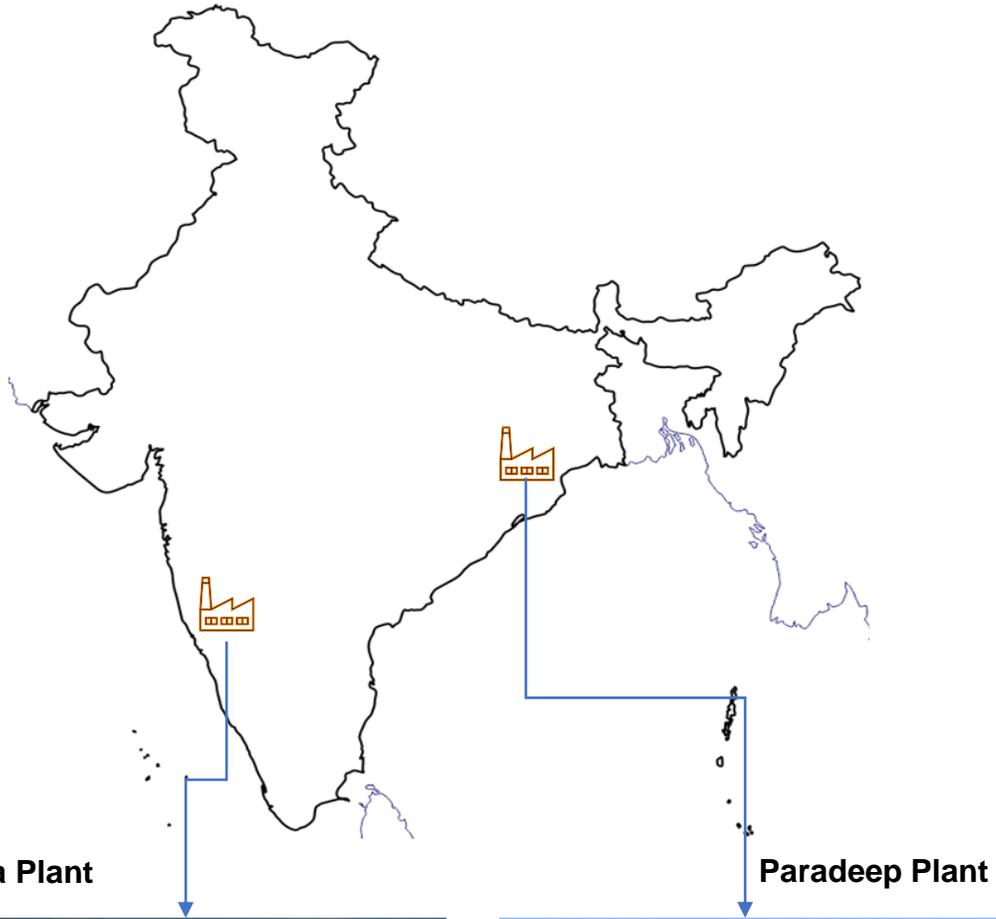
### Sulphuric acid

- Sulphuric acid is one of the raw materials used to produce Phosphatic fertilizers such as DAP

### HFSA

- HFSA is an inorganic compound, colourless liquid and manufactured as a coproduct in the production of phosphates fertilizers
- Used as a precursor to aluminium trifluoride and synthetic cryolite, which are used in aluminium processing.

# Manufacturing Locations



Goa Plant



Paradeep Plant



Location	Paradeep, Odisha	Zuarinagar, Goa
Area (Acres)	2,282	260
Target Market	East, Central and South	West, Central and South
Fertiliser Products	DAP, NPK-20, N-12, N-10, N-14	NPK-10, N-12, N-14, N-19, N-28, DAP, Urea
Brands	Navratna and Jai Kisaan	Jai Kisaan
Installed Fertiliser Capacity (MMTPA)	NPK / DAP: 1.8	NPK / DAP: 0.8 Urea: 0.4
Strategic Position	<ul style="list-style-type: none"> <li>Backward integration of rock phosphate</li> <li>Captive berth at port</li> <li>Land available for future expansion</li> </ul>	<ul style="list-style-type: none"> <li>Backward integration of ammonia</li> <li>Diversified product portfolio</li> <li>Access to developed markets</li> </ul>

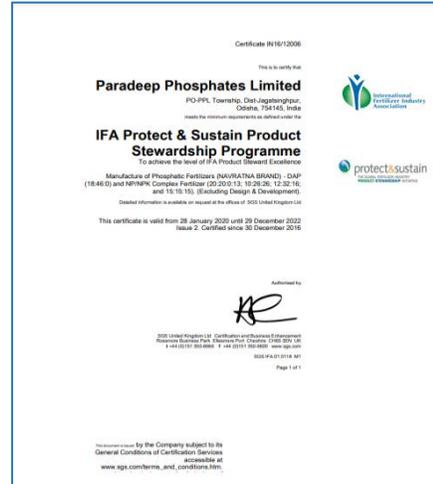
# Sales and Distribution Network



	PPL Total
States Currently Present	16
Regional Marketing Offices	21
Stock Points	510
No. of Dealers	5,322
No. of Retailers	72,925
Farmers Covered	~ 8 Mn

- Structured distribution network facilitates efficient sale of products and promotes brand visibility
- Undertakes various marketing activities to enhance customer loyalty and further penetrate geographic markets

# Awards, Achievements and Certifications



## Paradeep Plant

- Certified as a premium member of the British Safety Council
- Bureau veritas certification holding SAS – UK Branch for excellent management system and control
- Obtained product steward excellence certificate under IFA protect and sustain stewardship programme
- ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, ISO 50000-2011, ISO/IEC 17025-2017

## Goa Plant

- Obtained product steward excellence certificate under IFA protect and sustain stewardship programme
- ISO 14001:2015, ISO 45001:2018



# Sales and Distribution Network H1 FY2023

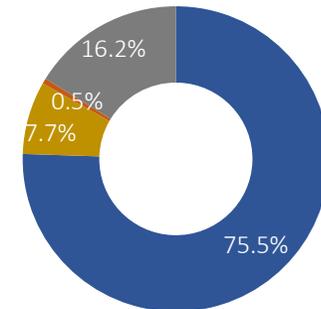
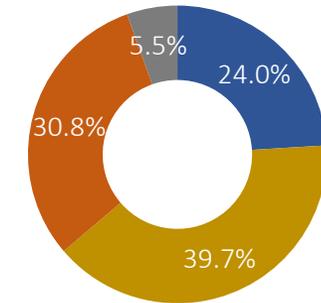
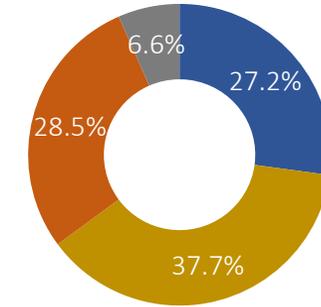


Extensive sales and distribution network drives revenue growth and promotes brand visibility

## Regional Sales Mix

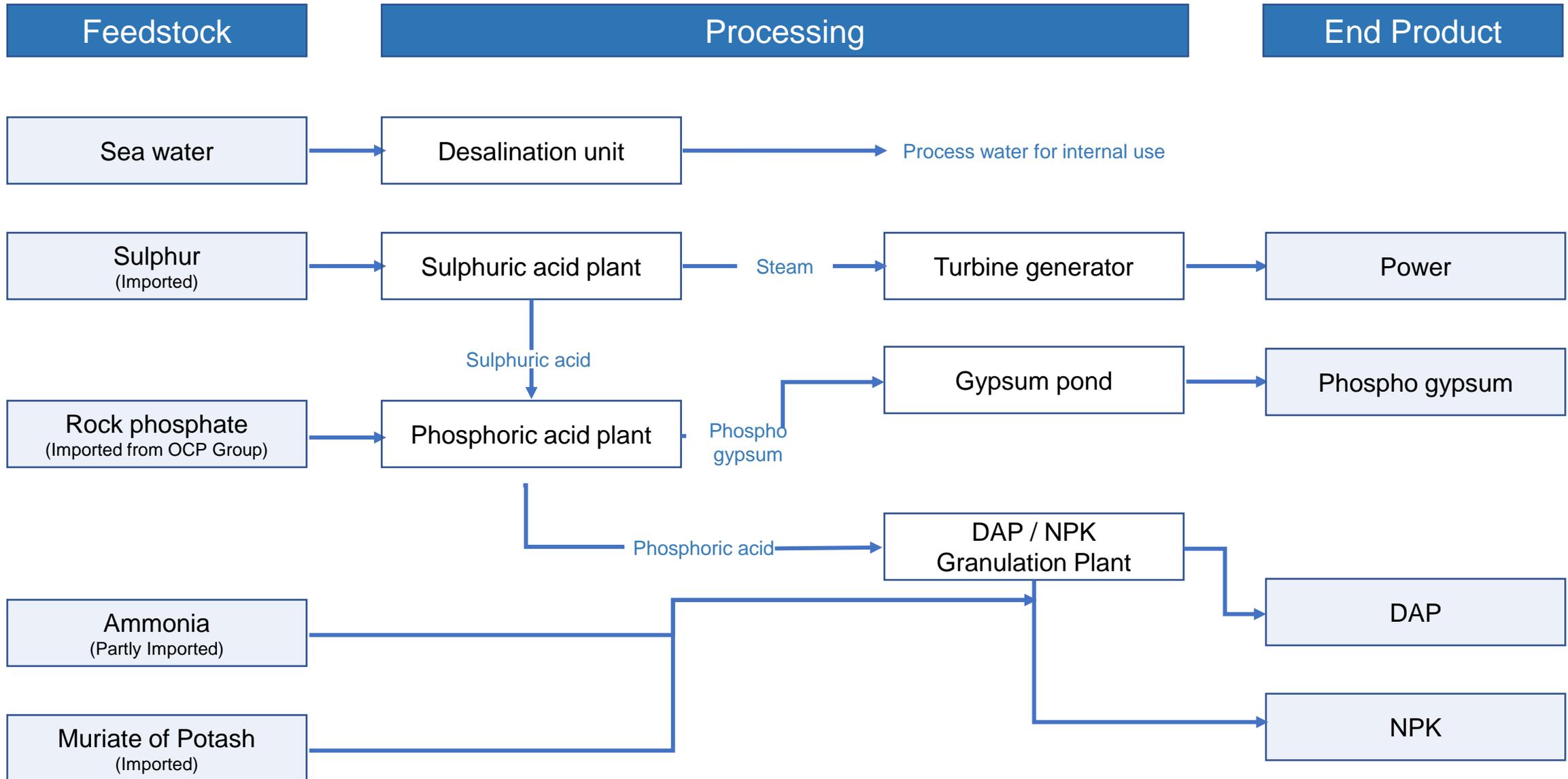


## Regional Dealers Nos.



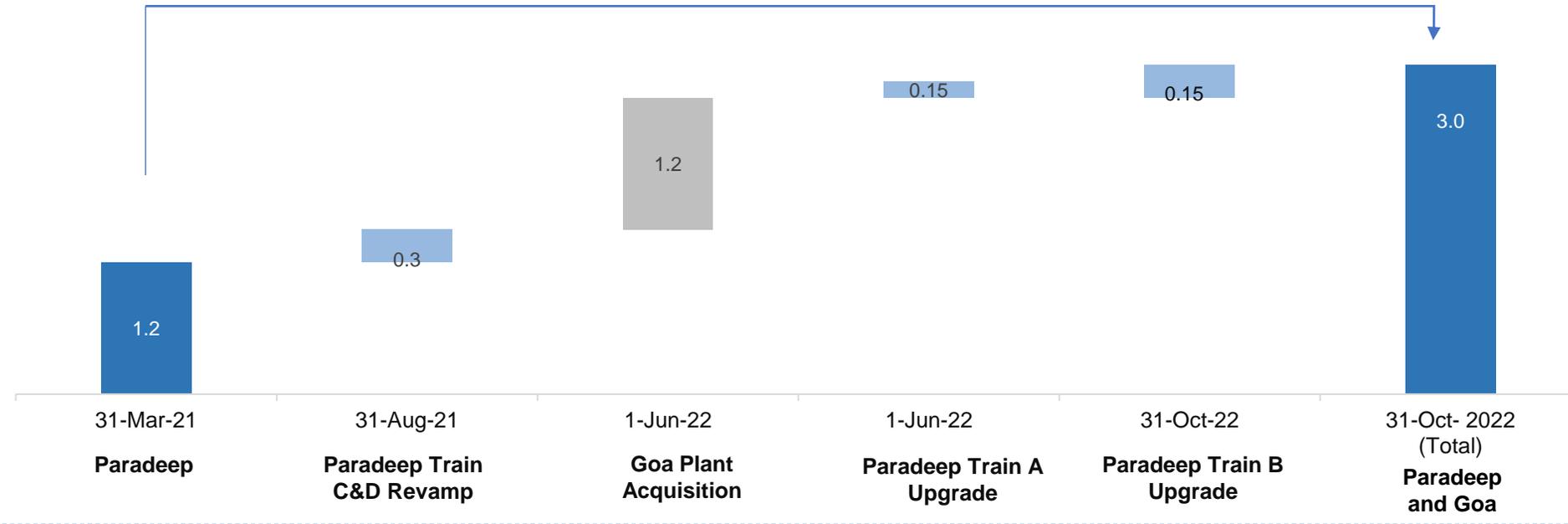
■ West ■ East ■ North ■ South

# Integrated Manufacturing Process



# Manufacturing Capacity Expansion

## DAP / NPK Total Annualized Production Capacity (MMTPA)



As of Q2 FY 23, PPL has reached a run-rate of 3 MMTPA of finished fertilizers

Capex was funded by term loan and internal accruals

## Annual Phosphoric Acid In-house Production Capacity (MMTPA)



Management expects capex to generate IRR > 25 %

# PPL Growth Strategy



## Capacity Expansion and Product Diversification

- Expansion of Paradeep production capacity of DAP and NPK to 1.8 MMTPA
- Goa plant capacity addition by 1.2 MMTPA
- Paradeep revenue mix of 54%, 28% and 17% from NPK, DAP and Urea products respectively in H1 FY2023
- Plan to utilize the available land area with the current utilization being one third of the 2,280 acres land of the Paradeep site

## Productivity and Cost Improvement Programmes

- 0.5 MMTPA retrofit of Phosphoric Acid plant capacity by February 2023 from existing capacity
- More than 78% reduction in power cost from Sulphuric Acid production
- Planned installation of a new evaporator to increase Phosphoric Acid by 116,000 MTPA

## Market Expansion through New Channels

- Extending market presence in Odisha, West Bengal, Chhattisgarh, central and eastern parts of Uttar Pradesh, Andhra Pradesh, Telangana and Madhya Pradesh
- Relationship building with retailers, select dealers and institutions through the Jai Kisaan Sambandh reward program

## Identify Inorganic Growth Opportunities

- Completed the acquisition of Goa facility from ZACL in June 2022
- Continue to explore potential inorganic growth opportunities in the future
- Expand into allied areas such as crop protection and specialty plant nutrition

# Industry Dynamics

## Food Security

- **Global food demand** continues to rise as population increases. However, land available for food production is limited
- The future of food production depends on **new technologies** for farmers that support a more **sustainable agricultural** system
- Global **demand for phosphate** is expected to **increase** due to global population growth
- Phosphate has **no substitute** and is a **key component** essential for root development and drought resistance in plants
- **Higher cropping intensity** is a key driver for phosphatic fertilizer in India

## Policy Support

- **National Food Securities Act** (2013) covers 75% of the rural and 50% of the urban population under the schemes
- Decontrolled retail prices for Phosphatic fertilizers and NBS Policy (Nutrient Based Subsidy)
- **Subsidy** for primary freight movement of decontrolled fertilizers
- Additional **Rs 609.4 bn** subsidy approved by the government for Phosphoric and Potassic fertilizers for Kharif Season
- Enhance soil fertility through soil health cards, including **higher NPK fertilizer adoption**

## Industry Opportunity

- Growing populations and **shrinking agricultural lands** due to urbanization and industrialization
- **Need for higher productivity** per acre, resulting strong demand for fertilizers
- Rise in per capita incomes and ease of **access to credit** to farmers
- Increasing urbanization levels and corresponding decrease in arable land
- Increase in per capita demand and consumption of food
- Government announcement of discovery of **indigenous** deposits of **phosphatic rock** will boost domestic fertilizer production and self-reliance

## National Food Securities Act 2013(NFSA)

- Paradigm shift in the approach to food security from welfare to rights-based approach
- The Act is being implemented in all the States/UTs, and on an all-India basis, out of maximum coverage of 81.34 crore persons
- Four elements build the framework of food and nutrition security: Availability, Access, Use and Utilization, and Stability
- Helps in ensuring food and nutritional security of the nation
- Fertilizer is essential to achieving food security: without mineral fertilizers, half of the food eaten today would not be available, and a greater share of future food will not be available either

## Antyodaya Anna Yojana (AAY)

- Step in the direction of reducing hunger among the poorest segments of the population
- Constitute the poorest of-the-poor, are entitled to receive 35 kg of foodgrains per household per month
- NFSA covers 75% of the rural population and 50% of the urban population under AAY

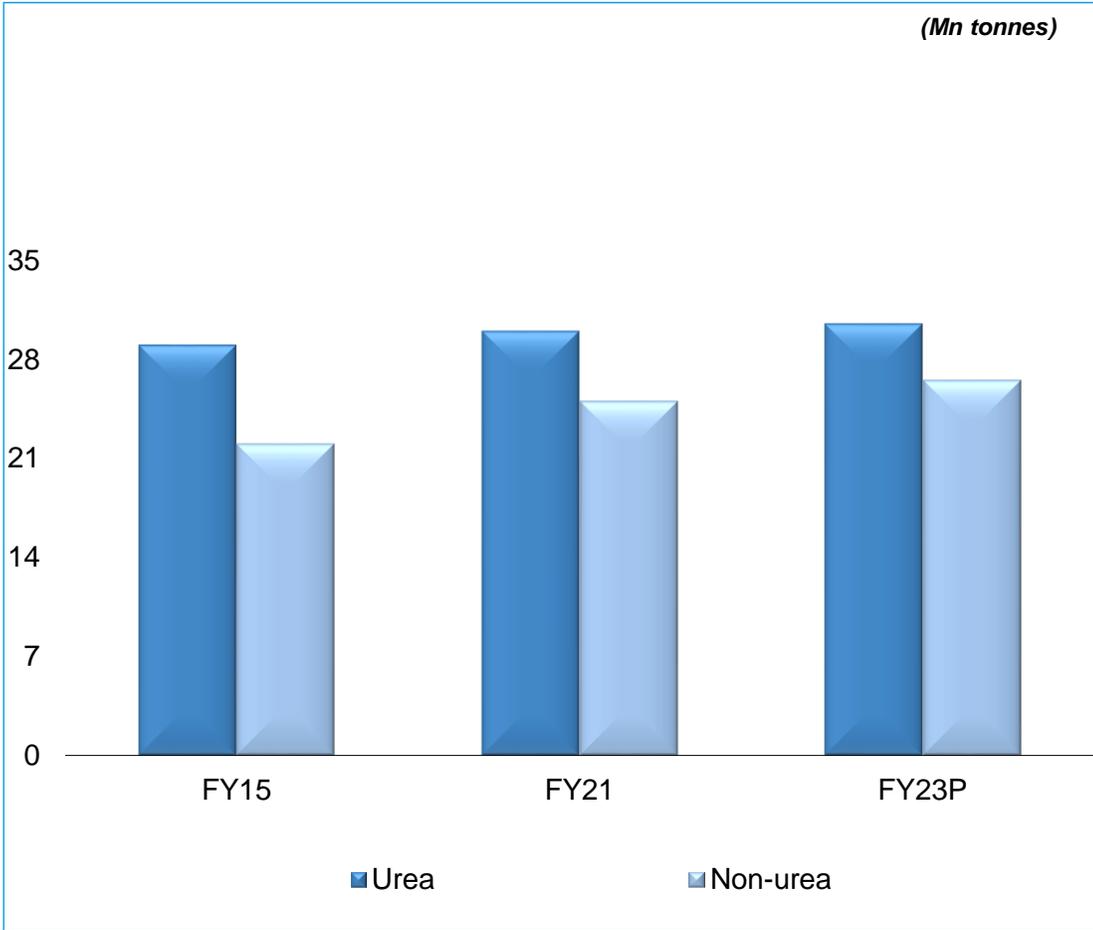
## Priority Households (PHH)

- State governments identify priority household families under the Targeted Public Distribution System (TPDS) according to their exclusive and inclusive guidelines
- Households covered under PHH category are entitled to receive 5 kg of foodgrains per person per month

# Non-Urea Fertilizer Growth Trend



## Trend and Outlook on Fertilizer Consumption

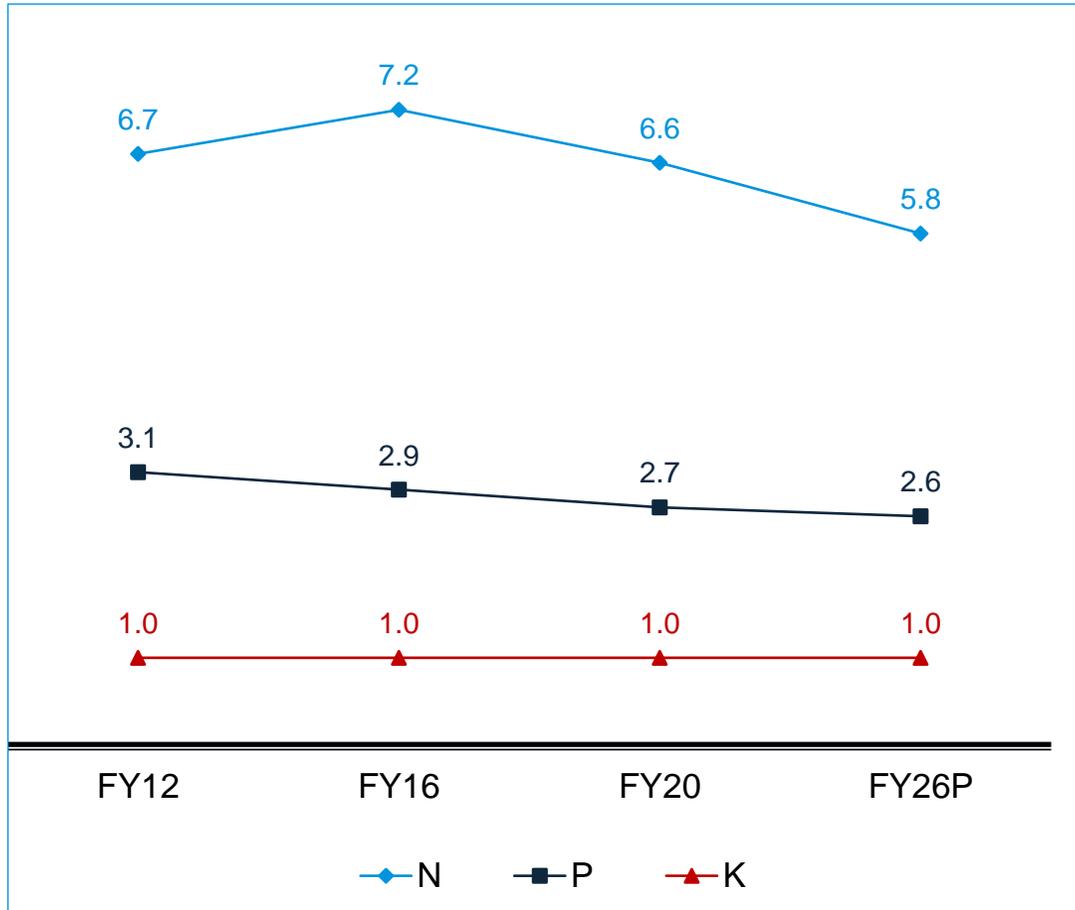


Growth Trend	Urea	Non Urea
FY15 – 21	1.2%	3.9%
FY21 – 23	1% - 1.5%	2.5% - 3%

- Increased consumption of non-urea fertilizers to maintain nutrition content of the soil
- Government initiatives of higher minimum support price (MSP), increased procurement, incentives and enhancement in subsidies on non-urea fertilizers to Rs. 609.4 bn
- The push for higher yield, rise in MSP of key crops, increased reservoir levels and increasing awareness among farmers about the benefits of complex fertilizers will aid faster growth in the non-urea segment
- Excessive use of urea on crops causes adverse effects on soil, crop quality and overall ecosystem besides leading to pests and insects' attacks

# NPK Fertilizer Composition Trend

## N – P – K Composition Trend



## Key Observations

- NPK (Nitrogen, Phosphorus and Potassium) are the macro nutrients required for the crop growth
- Ideal target ratio of NPK mix for balanced soil health and crop growth is 4:2:1
- Excess of Nitrogen can disrupt the NPK balance in the soil
- Expected to improve to 5.8 : 2.6 : 1.0 by FY 2026
- Improved industry NPK ratio –
  - 6.6 : 2.7 : 1.0 FY 2020 (26% Phosphorus)
  - 6.7 : 3.1 : 1.0 FY 2012 (29% Phosphorus)
  - 5.8 : 2.6 : 1.0 FY 2026 (28% Phosphorus)
- Led by government's efforts to increase awareness about soil fertility and higher adoption of fertilizer mixtures instead of single-nutrient fertilizers

# Environment, Social and Governance

## Sustainability is a core pillar of strategy and PPL continues to adopt sustainable best practices at all levels

2

ZERO HUNGER



### End hunger, achieve food security and improved nutrition and promote sustainable agriculture

Devising and **implementing sustainable agricultural systems** to meet the world's growing demand for food is a major area of work that people and their innovations need to focus on, in line with the global two-fold goal of Zero Hunger and Zero Emissions by 2030

7

AFFORDABLE AND CLEAN ENERGY



### Ensure access to affordable, reliable sustainable and modern energy for all

Phase-wise **replacement of conventional lights with LED lights** continued in the complex. Approximately **85 % replacement is completed**

**Solar power 255 kW installed in PPL township** which result in reduction of power import from captive power generation unit & grid. Power consumption from solar source is 2,76,506 kWh in 2021-22

6

CLEAN WATER AND SANITATION



### Ensure availability and sustainable management of water and sanitation for all

Effluent treatment plant (ETP) effluent **load reduced by 50% by recycling** & utilization of cooling tower blow down water, boiler blow down water & pump seal water in process

**Adopted “zero” effluent discharge policy and have installed ‘bag filters at transfer points’**, constructed new gypsum pond, installed ‘waste composter’ at the canteen, installed ‘online ambient air quality’ and ‘stack and effluent monitoring systems’

## PPL has been very closely associated with the communities around the plant locations as part of its social responsibility

3 GOOD HEALTH AND WELL-BEING



PPL runs a **Round-the-Clock operational Occupational Health Centre (OHC)** and ensures periodic medical check-ups and maintenance of health records for all employees. Additionally, regular health awareness programs and specialised health / medical check-ups camps are organised for employees to improve awareness about living in a healthy, safe and secure environment

4 QUALITY EDUCATION



Appropriate **recruitment, retention and training plans are in place to maintain the company's talent pool.** The company has an appropriate system for induction and training of employees. The training and development needs are identified periodically and appropriate training is imparted through internal and external faculties

11 SUSTAINABLE CITIES AND COMMUNITIES



Our manufacturing facilities, have instituted a stringent and process-oriented approach to reducing the likelihood of accidents and occupational health hazards. **Several safety programs, as well as measures designed to ensure a safe working environment,** are conducted periodically at all of our facilities, engaging members of the management team, supervisors, and employees

8 DECENT WORK AND ECONOMIC GROWTH



**PPL's CSR initiatives reach out to benefit more than 10,000 households in 25 villages in 5 Gram Panchayats and 2 slums in Paradeep Town** in district Jagatsinghpur. Through various initiatives, the company prepares less privileged groups and communities with knowledge and the capacity to achieve improved health, education and livelihood

The philosophy of Corporate Governance is aimed at safeguarding and adding value to the interests of all stakeholders and envisages attainment of the highest levels of transparency and accountability in all areas of its operations and interactions

**50% of Board members are independent**

Committed to ethical and lawful business conduct and perceives it as critical to the Company's success. We uphold ethical and legal standards while pursuing its objectives. Consistent with these principles, Board has adopted the Code for compliance both in letter and spirit by all Directors and Employees

PPL has the requisite processes and procedures in place to identify and assist in minimizing exposure to risk that threaten the existence of the Company. The Board has put in place a risk management policy to monitor and review potential risks

**88% of Board members are non executive**

Statutory regulations prohibit particular types of anticompetitive behaviour - that is, business arrangements among competitors that restrict open competition in various procurements. These activities generally are labeled as collusive bidding. Employees refrain from sharing the Company pricing and bid strategies with any outside individuals or companies without prior approval from the designated person

Whistle Blower policy – PPL believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. In pursuit of the same, we encourage our employees to raise genuine concern about any malpractices in the work place without fear of retaliation

# Experienced Board of Directors (1/2)



**Saroj Kumar Poddar**  
*Chairman and  
 Non-executive Director  
 (Nominee of ZMPPL)*

- Holds a bachelor's degree in commerce from University of Calcutta
- Served as President of FICCI & was appointed as member of the Board of Trade & member of the Court of Indian Institute of Science, Bangalore by the Government of India. He was also on the Advisory Council of N M Rothschild (India) Limited



**N Suresh Krishnan**  
*Managing Director and  
 Executive Director  
 (Nominee of ZMPPL)*

- Board Member of Directors of Fertiliser Association of India (FAI) & International Fertilizer Association (IFA) and has been in leadership roles in the Indian Fertiliser Sector for over a decade
- Over 30+ year experience in Fertiliser, Energy, Sugar and Cement sectors



**Karim Lotfi Senhadji**  
*Non-executive Director  
 (Nominee of ZMPPL)*

- Holds an Executive MBA ESSEC & Mannheim Business Schools and graduate from the Royal Air Forces School of Marrakech
- Currently holds the full-time position of Chief Financial Officer in OCP, Morocco. Prior to OCP, he held several management positions within several Moroccan and international companies, such as Holcim Group, Altadis Morocco and Médiatecom



**Soual Mohamed**  
*Non-executive Director  
 (Nominee of ZMPPL)*

- A full-time position as the Adviser to the CEO and Chief Economist of OCP, Morocco
- Holds an engineering degree from the National School of Civil Aviation, France & completed a certificate programme in accelerated general management from HEC Paris, France



■ Audit Committee

■ Nomination & Remuneration Committee

■ Stakeholders' Relationship Committee

■ CSR Committee

■ Risk Management Committee

■ Finance Committee Meeting

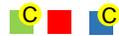
● Chairman of the Committee

# Experienced Board of Directors (2/2)



**Satyananda Mishra**  
*Independent Director*

- Holds a bachelor's and master's degree in English from Utkal University; retired officer from IAS batch of 1973
- served as the Chief Information Commissioner of India and Secretary, Ministry of Personnel and Training, Government of India and Chairman of the Multi-Commodity Exchange of India Limited and as an independent director of SIDBI



**Dipankar Chatterji**  
*Independent Director*

- Qualified chartered accountant and a senior partner at L B Jha & Co., Chartered Accountants
- Member of the working group constituted by the RBI to review the system of on-site supervision over banks and also served as Chairman of the Auditing Practices Committee of ICAI and the audit committee of the board of directors of Union Bank of India



**Kiran Dhingra**  
*Independent Director*

- An experienced Civil Servant, retired from Indian Administrative Services (IAS), Skilled in Public Policy, Administration, Strategic Planning, Industrial Development & Management
- Previously served as Chairman, and as Director on the Board of several CPSUs, and supervised their functioning



**Subhrakant Panda**  
*Independent Director*

- Graduated with honours summa cum laude from Questrom School of Business, Boston University
- Currently Vice President of the Federation of Indian Chambers of Commerce & Industry (FICCI) and Managing Director of Indian Metals & Ferro Alloys Ltd. and also served as President (2017-18) of the International Chamber of Commerce and only the 3<sup>rd</sup> Indian to have been elected President (2013-15) of the Paris-based ICDA

■ Audit Committee

■ Stakeholders' Relationship Committee

■ Risk Management Committee

● Chairman of the Committee

■ Nomination & Remuneration Committee

■ CSR Committee

■ Finance Committee Meeting

# Management Team



**N Suresh Krishnan**  
*Managing Director and  
CEO*

- Board Member of Directors of Zuari Agro Chemicals Limited ZACL, Fertilizer Association of India (FAI) & International Fertilizer Association (IFA) and has been in leadership roles in the Indian Fertilizer Sector for over a decade
- Over 30+ year experience in Fertilizer, Energy, Sugar and Cement sectors



**Sabaleel Nandy**  
*President and  
Chief Operating Officer*

- Bachelor's degree in Civil Engg from IIT, Kharagpur and PGDM from IIM, Lucknow
- Served as Executive Director at Tata Chemicals North America and has also been the Vice President and Head of Manufacturing at the phosphatic fertilizer plant of Tata Chemicals at Haldia



**Harshdeep Singh**  
*Chief Commercial Officer*

- Holds master's degree in International Business from Indian Institute of Foreign Trade (IIFT) and Bachelor of Engineering (BE) from NIT, Rourkela
- Has a rich experience in Agribusiness commercial operations and wholesale & retail sales operations



**Bijoy Kumar Biswal**  
*Chief Financial Officer*

- He is Chartered Accountant and has over 23+ years of experience in finance across various corporations
- His previous roles included as Chief Financial Officer of Forte Furniture Products India Pvt Ltd (FFPL), Chennai, and as Finance Controller of Zuari Agro Chemicals Ltd (ZACL), Gurgaon



**Raj Kumar Gupta**  
*Chief Procurement Officer*

- Member of ICAI (Institute of Cost Accountants of India)
- 30+ years of experience in Finance, Accounts and Commercial Procurement



**Pranab Kumar Bhattacharyya**  
*Chief Manufacturing Officer –  
Paradeep Plant*

- Holds B. Tech degree in Chemical Technology from University of Calcutta and executive PGMP from the S.P. Jain Institute, Mumbai
- Associated with Hindalco Industries Ltd as an assistant general manager



**Nilesh Dessai**  
*Chief Manufacturing Officer  
& Unit Head, Goa Plant*

- Holds the Bachelor and Masters of Engineering from College of Engineering, Goa University.
- Has 27+ years of experience in operations of the fertilizer manufacturing plant



**Alok Saxena**  
*General Manager and Head  
of Corporate Finance*

- Holds a bachelor's degree in technology (computer engineering) and completed a PGPM from the Great Lakes Institute, Chennai
- Previously, associated Adventz group for over a decade and have handled key strategic, business transformation, M&A and commercial portfolios within the group



**Sachin Patil**  
*Company Secretary and  
Compliance Officer*

- Holds a bachelor's degree in corporate secretariship from Karnataka University and an associate member of the ICSI
- Earlier associated with Zuari Global Limited as Assistant Company Secretary and Compliance Officer

# PPL Financial Performance



# FY2022 Financial Performance Highlights



(in Million)

## Total Income

Rs. 78,980



52% Y-o-Y

## EBITDA

Rs. 7,104



27% Y-o-Y  
Margins : 9.0%

## PBT

Rs. 5,350



46% Y-o-Y  
Margins : 6.8%

## Net Profit

Rs. 3,985



78% Y-o-Y  
Margins : 5.0%

## Cash & Cash Equivalents

Rs. 5,977

Rs. 932  
FY 2021

## Net Working Capital

29 Days

104 Days  
FY 2021

## ROE

19.7 %



13.0% Y-o-Y

## ROCE

15.0 %



13.9% Y-o-Y

### Notes:

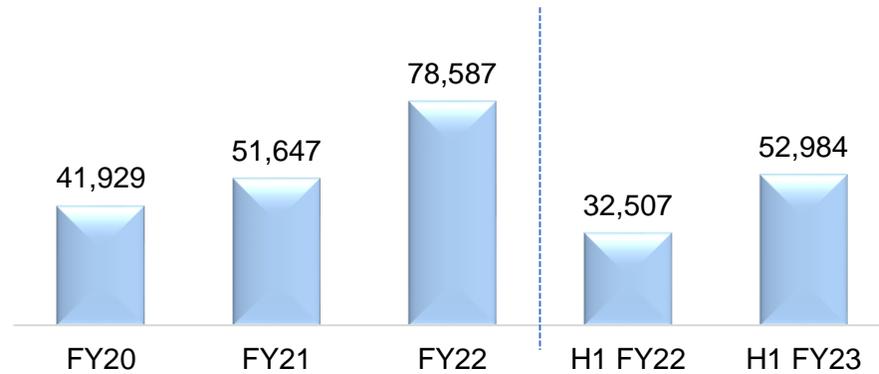
1. All margins are calculated on total income
2. Return on Capital Employed is calculated as EBIT/Average Capital Employed. Capital Employed = Total Equity + Total Debt
3. Return on Equity is calculated as Net Profit/Average Total Equity

# Annual Performance Trends

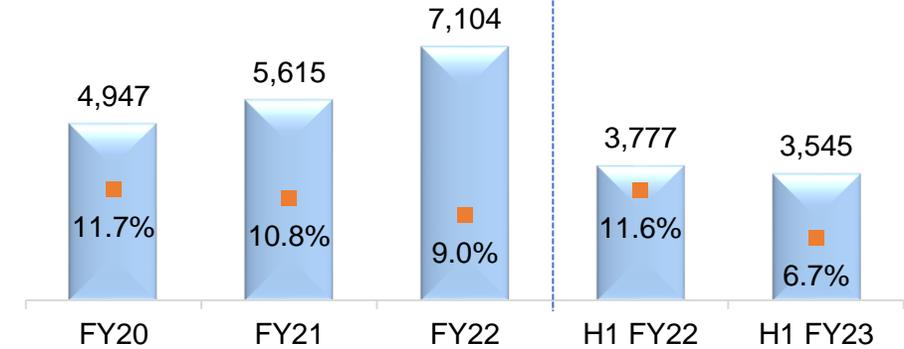


(in Rupees Million)

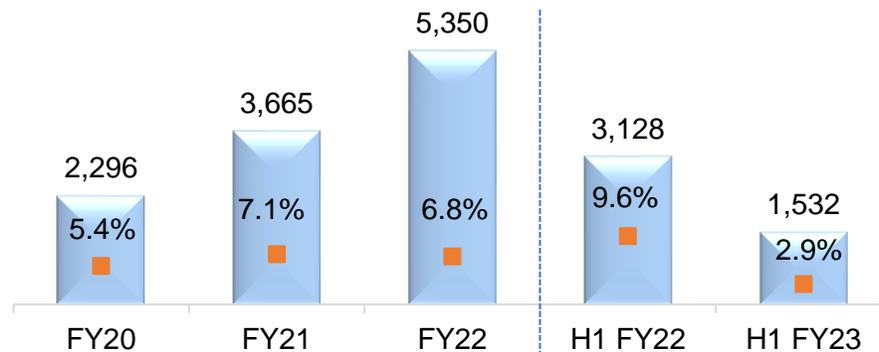
## Revenue from Operations



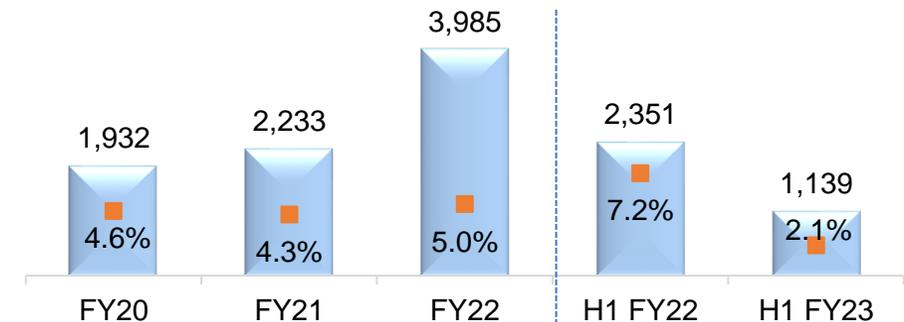
## EBITDA and Margins



## PBT and Margins



## Net Profit and Margins



# Leverage Profile and Working Capital Cycle



(In Rs. millions)	FY20	FY21	FY22	H1 FY23
Long Term Debt	1,394	1,134	5,282	6,619
Short Term Debt	20,791	11,378	24,261	38,233
<b>Total Debt</b>	<b>22,185</b>	<b>12,512</b>	<b>29,543</b>	<b>44,851</b>
Less: Cash & Cash Equivalents	58	932	5,977	1,710
<b>Net Debt</b>	<b>22,127</b>	<b>11,580</b>	<b>23,566</b>	<b>43,142</b>
Total Equity	16,035	18,275	22,250	33,185
<b>Net Debt / Equity</b>	<b>1.38x</b>	<b>0.63x</b>	<b>1.06x</b>	<b>1.35x</b>

## Key Observation

Increase in short term debt is balanced by increase in current assets

Short term debt was availed to manage the temporary increase in payables and subsidy payment timings

# Q2 FY23 Performance Highlights

(in Million)

## Total Income

Rs. 28,698



48.1% Y-o-Y

## EBITDA

Rs. 1,875

Goa Plant one time cost : **Rs. 422**

Adjusted EBITDA : **Rs. 2,297**

Adjusted EBITDA Margin : **8.0%**

## PBT

Rs. 684

Goa Plant one time cost : **Rs. 422**

Adjusted PBT : **Rs. 1,106**

Adjusted PBT Margin : **3.9%**

## Net Profit

Rs. 511

Post Goa Plant one time cost: **Rs 422**

## Adj. EBITDA/Tonne

Rs. 5,190

## Quarterly Developments

- Production contribution from Goa Plant of 209,115 MT with 3 trains fully operational
- Choice to manufacture a higher amount of NPK-20 (216,397 MT, up by 43% YoY) over other NPKs this quarter reflects the flexibility of our production trains to adapt as per market demand
- Completion of the revamp process of the 4th granulation train at the Paradeep Plant is in advanced stages
- Three new NPK grades, NPK 14:28:0, NPK 14:28:0:13 and NPK 24:24:0:0 launched during the quarter. Improves farmer choice in their requirement for soil-specific and crop-specific applications

# Q2 FY23 PPL Operational Highlights

(Production Volume)

## Total Fertilizers

506,194 MT  
37% Y-o-Y

## DAP

49,450 MT  
(73)% Y-o-Y

## N-20

216,937 MT  
43% Y-o-Y

## Other NPK

115,432 MT  
233% Y-o-Y

## Zypmite Maha

4,923 MT  
2% Y-o-Y

## Zypmite+

6,978 MT  
4% Y-o-Y

## Sulphuric Acid

340,710 MT  
(2)% Y-o-Y

## Phosphoric Acid

79,610 MT  
(10)% Y-o-Y

Fertiliser Products

Industrial Products  
and Intermediaries

Urea Production: **124,375 MT**  
Ammonia Production: **77,873 MT**  
Trading Products MOP: **29,613 MT**

# Consolidated Financial Performance Summary



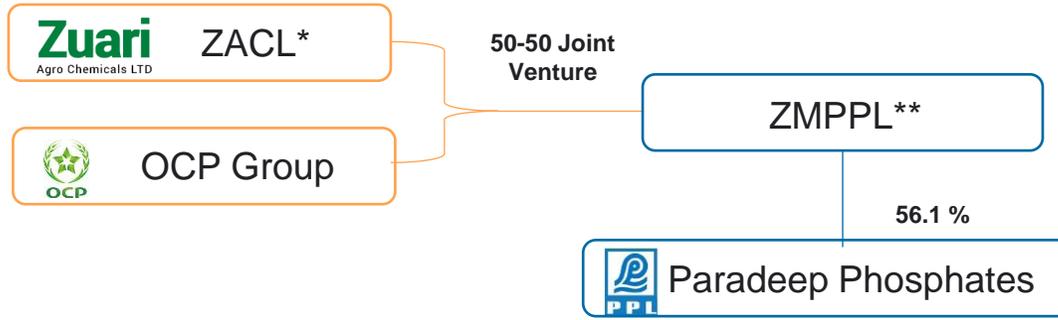
(in Rupees Million)

(Rs. Million)	Q2		Y-o-Y	Q1		Q-o-Q	H1		Y-o-Y
	FY2023	FY2022	Growth(%)	FY2023	Growth(%)	FY2023	FY2022	Growth(%)	
Revenue from Operations	28,637	19,347	48%	24,347	18%	52,984	32,507	63%	
Other Income	61	30	107%	97	(37)%	159	74	115%	
<b>Total Income</b>	<b>28,698</b>	<b>19,376</b>	<b>48%</b>	<b>24,444</b>	<b>17%</b>	<b>53,142</b>	<b>32,580</b>	<b>63%</b>	
Cost of Material Consumed	26,227	13,277	98%	15,515	69%	41,741	20,856	100%	
Purchase of Trading goods	382	3,247	(88)%	312	22%	693	6,997	(90)%	
Changes in Inventories of Finished Goods, W-I-P & Stock in Trade	(4,648)	(2,045)	-	3,480	(234)%	(1,168)	(3,282)	(64)%	
Employee benefits expense	558	357	56%	451	24%	1,009	656	54%	
Other expenses	4,305	1,831	135%	3,017	43%	7,322	3,576	105%	
<b>EBITDA</b>	<b>1,875</b>	<b>2,710</b>	<b>(31)%</b>	<b>1,670</b>	<b>12%</b>	<b>3,545</b>	<b>3,777</b>	<b>(6)%</b>	
<b>Margin</b>	<b>6.5%</b>	<b>14.0%</b>		<b>6.8%</b>		<b>6.7%</b>	<b>11.6%</b>		
EBIT	1,407	2,485	(43)%	1,361	3%	2,769	3,338	(17)%	
<b>Margin</b>	<b>4.9%</b>	<b>12.8%</b>		<b>5.6%</b>		<b>5.2%</b>	<b>10.2%</b>		
<b>PBT</b>	<b>684</b>	<b>2,342</b>	<b>(71)%</b>	<b>849</b>	<b>(19)%</b>	<b>1,532</b>	<b>3,128</b>	<b>(51)%</b>	
<b>Margin</b>	<b>2.4%</b>	<b>12.1%</b>		<b>3.5%</b>		<b>2.9%</b>	<b>9.6%</b>		
<b>Reported Profit After Tax</b>	<b>511</b>	<b>1,752</b>	<b>(71)%</b>	<b>628</b>	<b>(19)%</b>	<b>1,139</b>	<b>2,351</b>	<b>(52)%</b>	
<b>Margin</b>	<b>1.8%</b>	<b>9.0%</b>		<b>2.6%</b>		<b>2.1%</b>	<b>7.2%</b>		
Basic EPS	0.62	3.04	(80)%	0.93	(33)%		4.07	(100)%	

Notes:

1. EBITDA includes Other Income
2. All Margins are calculated on Total Income

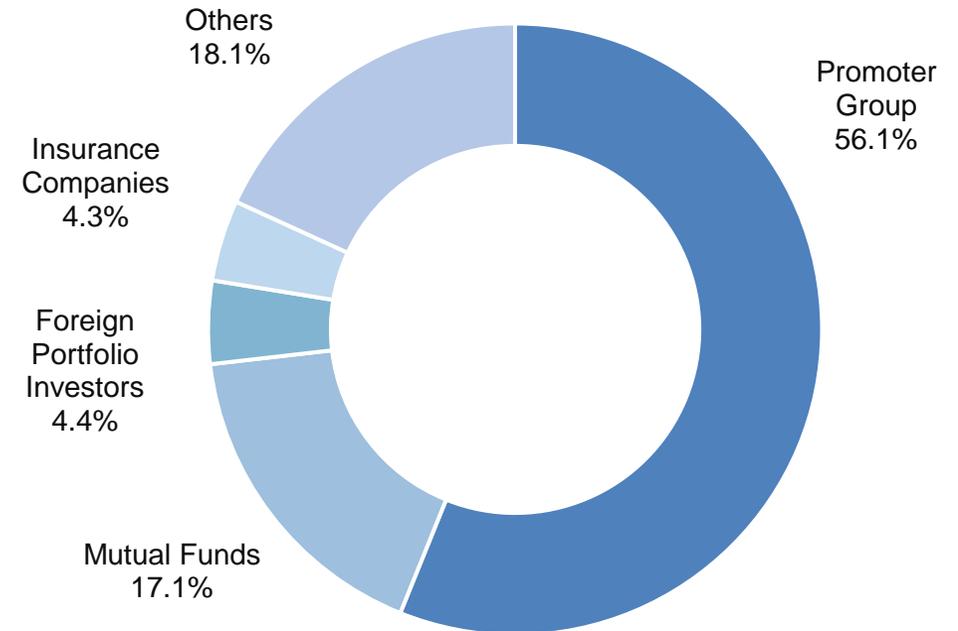
## Promoters Group



[Zuari Agro Chemicals](#) (ZACL) has been a leading fertilizer player in India. It was promoted by the eminent industrialist Dr. K K Birla and incorporated jointly by the House of Birlas and US Steel Corporation in the year 1967

[OCP Group](#) is one of the leading producers of Phosphate rock globally with approximately 70% of the global Phosphate rock reserves and exercises the monopoly for the exploration and operation of phosphates. The group is owned by the Moroccan Government

## % PPL Shareholdings – Sept 30, 2022



\* Zuari Agro Chemicals Limited

\*\*Zuari Maroc Phosphates Pvt Ltd

## Disclaimer

This presentation contains statements that are “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to “Paradeep Phosphates” future business developments and economic performance. While these forward-looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations.

These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance.

Paradeep Phosphates undertakes no obligation to publicly revise any forward-looking statements to reflect future / likely events or circumstances.

For further information please contact:

### Paradeep Phosphates Limited

**Susnato Lahiri**

[susnato.lahiri@adventz.com](mailto:susnato.lahiri@adventz.com)

Contact: +91 080 46812500 (ext 533)

### Churchgate Partners

**Anvita Raghuram / Bhushan Khandelwal**

[paradeep@churchgatepartners.com](mailto:paradeep@churchgatepartners.com)

Contact: +91 22 6169 5988

# Thank You

## Registered Office

### **Paradeep Phosphates Limited**

5th Floor, Bayan Bhavan Pandit Jawaharlal Nehru Marg

Bhubaneswar - 751 001, Odisha, India

Contact: +91 22 6169 5988

CorpAffairsBBSR@adventz.com

