

Name of the Company



LAXMI ORGANIC INDUSTRIES LTD

KEY IPO Highlights

Subscription Period:
15th March, 2021 to 17th
March, 2021

Issue Size: 46.15 Mn shares
(Aggregating up to INR
600Cr)

Price Band: INR 129 To 130
Lot Size: 115 Shares

Listing Date:
25th March, 2021

About the Company

- Laxmi Organic Industries Ltd is a specialty chemical manufacturer that operates in 2 business segments; Acetyl Intermediates (AI) and Specialty Intermediates (SI)
- The company has a global footprint with customers in 30 countries including but not restricted to China, Russia, Singapore, UAE, UK, USA, Netherland, etc..
- Currently, it has 2 manufacturing facilities in Mahad, Maharashtra for the manufacturing of AI and SI products.

Objects of the Issue:

- Investment in subsidiary firm, Yellowstone Fine Chemicals Private Limited (YFCPL) to partly finance the capex to establish a new manufacturing facility.
- To invest in YFCPL for financing working capital requirements.
- To finance the capex for expansion of SI manufacturing facility and working capital requirements.
- To purchase plant and machinery for infrastructure development at SI facility.
- To make prepayment or repayment of borrowings availed by the company and subsidiary, Viva Lifesciences Pvt Ltd (VLPL).
- To meet general corporate purposes.

Financial Overview (INR Million)

Particulars	Sep-20	Mar-20	Mar-19	Mar-18
Total Assets	10,371	10,706	10,145	8,947
Total Revenue	8,144	15,386	15,743	13,961
Profit After Tax	455	702	724	757

P / E Multiples

Laxmi Organic P/E	—	37.7
Aarti Industries P/E	—	42.3
Fine Organic P/E	—	42.7
Industry P/E	—	44.6

Recommendation from major brokerage houses

SUBSCRIBE

Neutral



Highlights:

- Leading manufacturer of ethyl acetate in India.
- Largest manufacturer of diketene derivative products.
- Diversified customer base across industries.
- Strategically located manufacturing facilities.
- Consistent financial performance.

Kreo Capital Opinion

Being a niche player in the specialty chemical segment, the company has shown strong growth for the last three financial years. Since the P/E multiple is less as compared to peers as well as industry, we have positive outlook on IPO, especially from long term perspective.

Disclaimer: The recommendations stated above are given by individual advisors (including Kreo Capital). Investors are advised to consult their financial advisor and do their own due diligence before subscription.