

Laxmi Organics Ltd.

Sensex	51,557
Nifty	15,245

ISSUE DETAILS

Offer Price Band	129-130
Face Value	₹2
Issue Size (in mn)	₹6000
Pre-issue shares (in mn)	240.5
Post-issue shares (in mn)	263.6
Market Cap (in mn. post issue)	34,040-34,280
Type	Fresh Issue and Offer for Sale
Listing (Stock Exchange)	BSE, NSE
Retail Allocation	35%
QIB Allocation	50%
Non-Institutional Investors	15%
Minimum Bid	115 shares and in multiple
Offer Open Date	15 th March, 2021
Offer Close Date	17 th March, 2021
Website:	www.laxmiorganics.com

Shareholding Pattern (%)

	Pre-Offer	Post Offer
Promoter Holding	89.5	72.9
Public Shareholding	10.5	27.1
Total	100.00	100.00

Investors should read the risk factors and more detailed information in the Prospectus and the application form before investing in the issue.

(₹ mn)

Particulars	FY18	FY19	FY20
Revenue	13,931	15,685	15,341
Growth%		12.6%	-2.2%
EBITDA	1514	1,533	1135
EBITDA Margins	11.1%	10.1%	9.34%
Reported PAT	757	724	702
PAT Margins	5.4%	4.6%	4.6%
Reported EPS (₹)	2.9	2.7	2.7
Return on Net Worth	20.0%	16.13%	16.5%

Source: Laxmi Organics Ltd. RHP

Yogita Desai

Tel: +9122-4019 2910

yogitadesai@way2wealth.com

Company Background

Incorporated on 15th May 1989, the company is a leading manufacturer of Acetyl Intermediates and Specialty Intermediates with almost 3 decades of experience in large scale manufacturing of chemicals. Company is currently among the largest manufacturers of ethyl acetate in India with a market share of approximately 30% of the Indian ethyl acetate market. It is the only manufacturer of diketene derivatives in India with a market share of approximately 55 % of the Indian diketene derivatives market in terms of revenue in FY20 and one of the largest portfolios of diketene products. Further, post completion of the YCPL Acquisition, the company's market share in the ethyl acetate market will be further enhanced.

Business Overview

Company's products are currently divided into 2 broad categories, namely the **Acetyl Intermediates ("AI")** and the **Specialty Intermediates ("SI")**. The Acetyl Intermediates include ethyl acetate, acetaldehyde, fuel-grade ethanol and other proprietary solvents, while the Specialty Intermediates comprises of ketene, diketene derivatives namely esters, acetic anhydride, amides, arylides and other chemicals. They have dedicated manufacturing facilities for each AI & SI with combined installed capacity of 239,365 MTPA.

They have DSIR approved 2 R&D facilities with state-of-the-art infrastructure for synthesis of advanced intermediates. The company has diversified product portfolio in various high growth industries, including pharma, agrochem, paints & coatings, printing, packaging, dyes & pigments. Laxmi Organic has global footprint with customers in over 30 countries. In 2010, Laxmi Organic commenced manufacturing the Specialty Intermediates by acquiring Clariant's diketene business. Laxmi Organic also proposes to diversify into manufacturing of specialty fluoro-chemicals to which end, they have recently acquired assets including plant & machinery, design and operating paperwork, REACH registrations and patents of Miteni, a manufacturer of organic fluoro-specialties and electrochemical fluorination.

The company has diversified customer base, in India and abroad. They supply their products to customers in over 30 countries including China, Netherlands, Russia, Singapore, United Arab Emirates, United Kingdom and United States of America. Their customers include multinational companies as well as domestic companies.

Key customers include Syngenta Asia Pacific Pte. Ltd., Covestro (India) Pvt. Ltd., Alembic Pharmaceuticals Ltd., Dr. Reddy's Laboratories Ltd., Flint Group India Private Ltd., Granules India Ltd., Hetero Labs Ltd, Heubach Colour Pvt. Ltd., Hubergroup India Pvt. Ltd., Huhtamaki India Ltd., Laurus Labs Ltd., etc.

Objects of The Issue

Objects	Amount (₹mn)
Investment in the wholly owned Subsidiary, Yellowstone Fine Chemicals Pvt. Ltd. (YFCPL) for part-financing its capital expenditure requirements in relation to the setting up of a manufacturing facility for fluoro-specialty chemicals (Proposed Facility)	604
Investment in YFCPL for funding its working requirements;	377
Funding capital expenditure requirements for expansion of their SI Manufacturing Facility ("Proposed Expansion")	911
Funding working capital requirements of the company;	352
Purchase of plant and machinery for augmenting infrastructure development at their SI Manufacturing Facility;	126
Prepayment or repayment of all or a portion of certain outstanding borrowings availed by the company and their wholly owned Subsidiary, Viva Life sciences Pvt. Ltd. (VLPL)	1793
General Corporate Purposes	-
Total	4163

Segment Details

Product Category	Six months ended September 30, 2020		Fiscal 2020		Fiscal 2019		Fiscal 2018	
	Revenue (₹ mn)	As % of our total revenue from sale of manufactured products and services (%)	Revenue (₹ mn)	As % of our total revenue from sale of manufactured products and services (%)	Revenue (₹ mn)	As % of our total revenue from sale of manufactured products and services (%)	Revenue (₹ mn)	As % of our total revenue from sale of manufactured products and services (%)
Acetyl Intermediaries*	4,104.10	55.37	8,018.54	59.33	8,835.73	62.24	6,209.76	49.22
Speciality Intermediaries*	2,239.64	30.21	4,346.86	32.16	4,527.18	31.89	4,084.66	32.38
Others (including traded goods)	1,068.64	14.42	1,149.72	8.51	833.84	5.87	2,321.83	18.40
Revenue from sale of manufactured products and services	7,412.38	100.00	13,515.12	100.00	14,196.75	100.00	12,616.25	100.00

Manufacturing Facilities Details

The product-wise details of the installed production capacity, available capacity, actual production and capacity utilisation at our Manufacturing Facilities for the six months ended September 30, 2020 and Fiscals 2020, 2019 and 2018, are set forth below:

Period	Installed production capacity at the end of Fiscal/period (MTPA)	Available production capacity for the Fiscal / period (MT) (A)	Actual production for the Fiscal/period (MT) (B)	Capacity utilization (c=B/A) (in %)
Acetyl Intermediates				
Six months period ended September 30, 2020	1,61,321.00	80,660.00	61,355.67	76.07%
Fiscal 2020	1,61,321.00	1,61,321.00	1,34,816.61	83.57%
Fiscal 2019	1,61,321.00	1,61,321.00	1,28,869.63	80.00%
Fiscal 2018	1,61,321.00	1,61,321.00	1,03,946.57	64.44%
Specialty Intermediates				
Six months period ended September 30, 2020	78,045.00	39,022.00	23,568.00	60.40%
Fiscal 2020	78,045.00	78,045.00	46,937.00	60.14%
Fiscal 2019	78,045.00	78,045.00	42,941.00	55.02%
Fiscal 2018	78,045.00	76,230.00	44,558.00	58.00%

Competitive Strengths

- **Leading manufacturer of ethyl acetate with significant market share** – Ethyl acetate is a highly versatile solvent used in multiple applications across industries. It is derived from non-aromatic raw materials. The bio-based origin of ethyl acetate gives it a distinct identity and making it a preferred solvent over traditional solvents, given its lower toxicity when exposed to humans. In 2015, REACH banned products including glues containing toluene, chloroform, or benzene. In view of health hazards, this ban might be adopted by other regions as well and according to the Frost & Sullivan Report, such ban will enhance the need to move to a green solvent like ethyl acetate which will in turn beneficial to the company.

Company's conversion efficiencies have been strong and maintained consistently helping in consistent contribution margin maintenance throughout business cycles. They are currently among the largest manufacturers of ethyl acetate in India with a market share of approximately 30% of the Indian ethyl acetate market.

The global ethyl acetate market is expected to grow at a CAGR of more than 4.5% over the next decade in terms of volume and is projected to grow from ~4 MMT in CY19 to ~5 MMT by CY24 (source: Frost & Sullivan Report). In terms of revenue, the global ethyl acetate market stands approximately at USD 3.5 bn globally and is expected to grow at 5.5% to 6% CAGR over the next half decade (source: Frost & Sullivan Report).

- **Diversified customer base across high growth industries and long-standing relationships with marquee customers**—Their products find application in a number of high growth industries including pharmaceuticals, agrochemicals, dyes & pigments, inks & coatings, paints, printing & packaging, flavours & fragrances, adhesives and other industrial applications. Amongst the industries to which they cater, during the forecast period of 2019-24 the global active pharmaceutical ingredients (API) market size is projected to grow at a CAGR of 5%-6%, the global agrochemicals and fertilizer market is expected to garner revenue at a CAGR of 5.5-6%, and the paints, coatings and additives industry is projected to grow at a CAGR of 5.1%.
- **Strategically located manufacturing facilities, vertical integration and supply chain efficiencies** – The company currently has 2 strategically located manufacturing facilities for Acetyl Intermediates and Specialty Intermediates which are located in Mahad, Maharashtra, in close proximity to several ports including the Jawaharlal Nehru (Nhava Sheva) Port, JSW port and Mumbai port which ensures that they have ready access to port facilities and are able expediently import their raw materials and export their products thereby providing them with a cost and logistical advantage. They also have 2 Distilleries located in Maharashtra for the manufacturing of ethanol and specially denatured spirit from molasses. These Distilleries and their 2 Manufacturing Facilities are located close to sugar mills in Maharashtra thereby providing them with easy supply for molasses and reducing transportation costs. Ethanol is a basic raw material required for the manufacture of Acetyls including acetic acid, acetaldehyde and ethyl acetate.
- **Global presence and low geographical concentration** – In addition to India, they have customers in over 30 countries including China, Netherlands, Russia, Singapore, United Arab Emirates, United Kingdom and United States of America. The international operations are supported by our offices in Leiden (Netherlands), Shanghai (China) and Sharjah (United Arab Emirates), this local presence in such international markets facilitate their sales, marketing and business development activities and provides with timely insights into the economic, product requirements and regulatory environment in such markets. They also have arrangements with third parties for usage of storage tanks in inter alia Rotterdam (Netherlands), Antwerp (Belgium) and Genoa (Italy) for storage of finished products which enables to deliver the products on short notice.

Business Strategies

- **Volume maximisation by expanding installed capacities to support our growth initiatives** – As a part of the growth strategy, they intend to maximise production volumes and expand installed capacities at the manufacturing facilities. They are also in the process of expanding manufacturing capabilities for the Acetyl Intermediates by acquiring AHPL, which through its wholly owned subsidiary, YCPL is engaged in the manufacturing of acetaldehyde and ethyl acetate. The aggregate installed production capacity at the YCPL facility as on Sep'20 is 10,500 MTPA of acetaldehyde and 29,200 MTPA of ethyl acetate. Further, as a single site risk mitigation initiative, they are in the process of identifying one or more sites for the future growth of our business beyond the currently committed expansion initiatives.
- **Expanding and optimising the product portfolio** – Company intends to diversify the existing product portfolio by adding new products (including downstream and value-added products) which are synergistic with their existing products and chemistries. They intend to perform and deliver products pursuant to the long-term contracts already entered into with certain customers. They believe that introduction of such products would increase profit margins and the long-term contracts would provide them incremental and steady revenues. Further, also intend to focus on growing recently launched products in order to grow customer base and revenues.

They also intend undertaking manufacturing of certain products on a contract manufacturing basis with their customers to ensure efficient utilisation of manufacturing facilities and to increase cash flows. In the past, company has also undertaken custom-manufacturing of certain products for customers. Company believes that such arrangements would further increase the profit margins, and accordingly, intend to enter into custom-manufacturing for select customers.

- **Continuing focus on innovation and leveraging chemistries and technology absorption –** They intend to increase the initiatives in R&D in order to enhance the diversified product portfolio in both the domestic market and international markets. The R&D capabilities has enabled to expand the specialty Intermediates offerings from 14 products as at March 31, 2012 to more than 34 products as at Sep'20. As part of other strategy, it will continue to leverage this know-how in complex chemistries and experience in engineering to focus on the addition of downstream and value-added products to the product portfolio as well as addition of fluoro-specialty products to portfolio.
- **Establishing the fluoro-specialty chemicals business -** In June 2019, the company acquired assets including plant & machinery, design and operating paperwork, REACH registrations and patents of Miteni, a manufacturer of organic fluoro-specialties and electrochemical fluorination with a view to foray into the fluoro-specialty chemical business and leverage their experience, capabilities and relationships. The assets acquired from Miteni include inter alia differentiated world-class technology and equipment and a library of more than 100 products including products in research and development and scale-up stages. Further, they have also acquired 14 patents, 41 REACH registrations and all the formulations, production and maintenance data and research and development data through this acquisition. They intend to capture the market share of Miteni given its existing chemistries and past customer base. The market for fluorochemicals in India was valued at ~USD 40.5 crore for the 2019. It is estimated that up to 20% of pharmaceuticals in the market or in clinical development contain a fluorine atom and 50% of agrochemicals molecules developed recently also contain fluorine.

Key Concerns/Risks

- A large part of manufacturing facilities are located in one geographic area and therefore, any localized social unrest, natural disaster or breakdown of services in and around Mahad, Maharashtra or any disruption in production at, could have material adverse effect on business and financial condition
- Any inability to manage growth or implement strategies effectively could have material adverse effect on company's operations and financial condition.
- Any increase in the cost of raw material or shortfall in the supply of raw materials, may adversely affect the pricing and supply of the products and have an adverse effect on company's operations and financial condition.
- A sharp surge in foreign currency may adversely impact company's operations and financial condition as significant portion of revenues and expenses and certain of the borrowings of company are denominated in foreign currencies.

Our View

Laxmi Organics is leading manufacturer of acetyl intermediaries and specialty intermediaries in India. We believe company's specialised product offerings, entry in high margin fluoro chemistry segments, scheduled new acquisitions and long term contracts for specialty intermediates to achieve higher growth. At the offer price band of ₹129-₹130/- Laxmi Organics Ltd is commanding a ~32x P/E on H1FY21 EPS and ~48x P/E on FY20EPS which is inline with listed entities in the specialty chemical business such as Fine Organics Ltd, Galaxy Surfactants, Aarti Industries etc. which trade at FY20 P/E multiples of ~30x-40x. **We thus advise investors with a long-term investment horizon to SUBSCRIBE to the issue.**

Consolidated Financials
Restated Consolidated Statement of Assets and Liabilities

(₹ mn)

Particulars	September 30, 2020	March 31, 2020	March 31, 2019	March 31, 2018
ASSETS				
(1) Non-current assets				
(a) Property, plant and equipment	3,209.28	3,255.13	3,305.90	2,770.88
(b) Capital work-in-progress	743.99	674.89	314.79	299.54
(c) Intangible assets	6.37	7.78	10.37	2.52
(d) Right of use assets	100.42	113.69	140.53	159.92
(e) Financial assets				
(i) Loans and Advances	83.37	82.53	40.53	29.90
(ii) Others	17.45	10.69	6.32	58.88
(f) Deferred tax Assets (net)	15.04	12.60	-	-
(g) Other non-current assets	75.44	79.77	77.88	186.46
	4,251.36	4,237.08	3,896.32	3,508.11
(2) Current Assets				
(a) Inventories	1,262.10	1,518.89	1,707.46	1,458.30
(b) Financial assets				
(i) Trade receivables	3,342.96	3,593.67	3,261.80	3,241.82
(ii) Cash and cash equivalents	266.08	241.10	76.45	52.36
(iii) Other Bank Balance	549.70	205.99	390.91	-
(iv) Loans and Advances	1.91	1.96	1.97	10.35
(v) Others	331.12	403.11	9.23	8.42
(c) Other current assets	366.09	504.53	800.74	596.16
(d) Assets held-for-sale	-	-	-	71.82
	6,119.96	6,469.25	6,248.56	5,439.23
Total Assets	10,371.32	10,706.33	10,144.88	8,947.34
EQUITY & LIABILITIES				
Equity				
(a) Equity Share capital	450.16	450.16	500.45	100.09
(b) Other Equity	4,273.90	3,819.02	3,998.00	3,693.11
	4,724.06	4,269.18	4,498.45	3,793.20
(c) Non-controlling interests	3.37	3.87	3.47	2.08
Total Equity	4,727.43	4,273.05	4,501.92	3,795.28
Liabilities				
(1) Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	902.66	901.53	746.06	531.01
(ii) Lease Liability	66.87	83.57	107.47	122.95
(b) Provisions	30.77	28.36	21.99	18.47
(c) Deferred tax liabilities (net)	124.65	132.69	170.71	159.73
(d) Other non-current liabilities	-	-	-	5.95
	1,124.95	1,146.15	1,046.23	838.11
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	632.95	336.45	666.52	1,388.28
(ii) Trade payables	18.71	39.97	7.15	5.25
- total outstanding dues of Micro and Small Enterprise				
- total outstanding dues of other than Micro and Small Enterprise	3,074.75	4,076.30	3,148.50	2,136.06
(iii) Lease Liability	28.66	23.89	21.30	18.73
(iv) Other financial liabilities	531.51	621.05	604.01	518.36
(b) Provisions	123.05	117.71	86.06	73.48
(c) Current Tax Liabilities (net)	14.68	9.65	27.67	101.94
(d) Other current liabilities	94.64	62.10	35.52	71.85
	4,518.94	5,287.12	4,596.73	4,313.95
Total Equity and Liabilities	10,371.32	10,706.33	10,144.88	8,947.34

Restated Statement of Consolidated Profit and Loss

(₹ mn)

Particulars	6M Ended Sep-20	Y/E Mar-20	Y/E Mar-19	Y/E Mar-18
I) INCOME:				
Revenue from operations (gross)	8,134.06	15,341.23	15,685.21	13,930.74
Other income	9.49	44.98	58.02	30.01
Total Income (I)	8,143.55	15,386.21	15,743.23	13,960.75
II) EXPENSES:				
Cost of raw materials consumed	3,518.58	7,809.60	8,884.16	6,558.19
Purchase of stock in trade	2,093.42	2,870.66	2,496.00	3,212.96
Changes in inventories of Finished Goods, Work in progress and Stock in Trade	124.73	285.46	(423.83)	(87.27)
Excise Duty	-	-	-	175.51
Employee benefits expense	357.33	685.64	645.33	526.01
Finance cost	74.42	140.19	169.69	98.09
Depreciation & amortisation	227.01	488.88	440.59	312.86
Other expenses	1,186.07	2,554.39	2,550.70	2,031.42
Total expenses (II)	7,581.56	14,834.82	14,762.64	12,827.77
III) Profit before share of profit/(loss) of an associate/ Joint venture and exceptional items (I-II)	561.99	551.39	980.59	1,132.98
Share of profit/(loss) of a Joint Venture	-	-	(4.70)	0.16
IV) Profit before exceptional items and tax	561.99	551.39	975.89	1,133.14
V) Exceptional items	-	256.63	-	-
Profit before tax (IV+V)	561.99	808.02	975.89	1,133.14
Tax expense	107.15	105.90	251.98	376.19
1. Current tax	117.64	159.41	241.45	306.65
2. Deferred tax liability / (asset)	(10.49)	(50.61)	10.99	69.54
3. Income Tax (Excess)/Short Provision of previous year	-	(2.90)	(0.46)	-
Profit for the period	454.84	702.12	723.91	756.95
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Remeasurement of the net defined benefit (net of tax)	1.00	(5.29)	(1.00)	3.11
Total other comprehensive income, net of tax	1.00	(5.29)	(1.00)	3.11
Total comprehensive income for the year	455.84	696.83	722.91	760.06
Profit/(Loss) attributable to:				
Owners of the Company	454.84	700.75	723.91	756.95
Non - Controlling Interest	-	1.37	-	-
Other comprehensive income attributable to:				
Owners of the Company	1.00	(5.29)	(1.00)	3.11
Non- Controlling Interest	-	-	-	-
Earnings per equity share				
(nominal value of share ₹2 each) Refer Note 30(i)				
Basic & Diluted (₹)	2.02	2.86	2.89	3.03

Restated Consolidated Statement of Cash Flows

(₹ mn)

Cash Flow	6M Ended Sep-20	Y/E Mar-20	Y/E Mar-19	Y/E Mar-18
A. Cash flow from operating activities				
(I) Restated Profit / (Loss) before exceptional items and tax	561.99	551.39	975.89	1,133.14
Adjustments for:				
Depreciation and amortisation expense	227.01	488.88	440.59	312.86
(Profit) / loss on sale / write off of assets	-	0.12	(0.45)	(0.14)
Finance costs	70.89	123.99	169.69	98.09
Interest income	(8.22)	(32.60)	(16.20)	(9.80)
Guarantee Commission	-	-	(0.51)	(0.58)
Amortisation of upfront fees	2.84	2.07	0.49	0.68
Sales Tax Receivable w/off	1.15	2.51	4.95	8.61
Provision for doubtful debts/Write off - ECL	-	11.35	(0.24)	0.36
Sundry balances written back	(0.32)	(3.77)	(13.77)	(9.10)
Net unrealised exchange (gain) / loss	8.30	(34.86)	25.25	1.03
(II) Total of Non Cash Adjustments	301.66	557.68	609.80	402.01
(III) Operating profit / (loss) before working capital changes (I +II)	863.64	1,109.08	1,585.68	1,535.15
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	256.79	188.57	(249.16)	(712.07)
Trade receivables	246.18	(357.16)	(6.48)	(921.43)
Financial Assets	82.66	(181.24)	(1.78)	(9.66)
Non Financial Assets	146.79	288.33	(117.75)	(276.27)
Adjustments for increase / (decrease) in operating liabilities:				
Trade Payable	(1,040.82)	1,021.25	1,014.39	508.04
Financial Liabilities	(124.02)	2.34	(33.12)	110.49
Non Financial Liabilities	32.54	26.58	(42.35)	(35.85)
Provisions	(0.90)	17.37	2.92	7.78
(IV) Total Changes in Working Capital	(400.77)	1,006.04	566.68	(1,328.98)
Cash generated from operations (III+IV)	462.87	2,115.12	2,152.36	206.17
Net income tax (paid) / refunds	(108.13)	(155.08)	(275.83)	(273.66)
Net cash flow from / (used in) operating activities (A)	354.74	1,960.03	1,876.53	(67.49)
B. Cash flow from investing activities				
Capital expenditure on Property Plant and Equipment	(235.58)	(770.82)	(974.88)	(884.88)
Proceeds from sale of Property Plant and Equipment		2.04	1.51	0.90
Movement in Other Bank Balances	(350.76)	179.67	(337.75)	50.88
(Purchase)/Sale of Investments	-	-	71.82	(26.25)
Interest received	8.75	31.49	13.83	9.09
Net cash flow from / (used in) investing activities (B)	(577.59)	(557.62)	(1,225.48)	(850.26)
C. Cash flow from financing activities				
Non Controlling interest	(0.50)	(0.97)	1.39	1.16
Proceeds from Long term borrowings	250.00	499.69	563.82	400.00
Repayment of Long term borrowings	(213.12)	(340.69)	(264.64)	(290.49)
Net Proceeds from Short term borrowings	296.51	(330.08)	(721.77)	862.60
Buy Back of Equity Shares	-	(820.13)	-	-
Buy back Tax	-	(80.40)	-	-
Interest paid	(69.59)	(113.99)	(158.67)	(89.71)
Lease Liabilities:				
Principal	(11.92)	(21.31)	(19.03)	(12.92)
Interest	(3.54)	(8.75)	(9.96)	(8.97)
Dividends paid	-	(17.52)	(15.01)	(12.01)
Tax on dividend	-	(3.60)	(3.09)	(2.45)
Net cash flow from / (used in) financing activities (C)	247.84	(1,237.75)	(626.96)	847.21
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	24.98	164.65	24.09	(70.55)
Cash and cash equivalents at the beginning of the year	241.10	76.45	52.36	122.92
Cash and cash equivalents at the end of the year	266.08	241.10	76.45	52.36
	24.98	164.65	24.09	(70.55)
Components of Cash and Cash Equivalents				
Cash on Hand	3.30	3.14	10.60	5.61
Balances with Bank	262.78	237.96	65.85	46.75
Total Balance	266.08	241.10	76.45	52.36

Team

Analyst	Designation	Sector	Email	Telephone
Jayakanth Kasthuri	Research Analyst	Capital Goods, Consumer Durables & Logistics	Jayakanthk@way2wealth.com	+9122-4019 2914
Ashwini Sonawane	Research Associate	FMCG	ashwinisonawane@way2wealth.com	+9122-4019 2956
Yogita Desai	Research Analyst	Chemicals & Building Materials	yogitadesai@way2wealth.com	+9122-4019 2910
Harshil Gandhi	Research Analyst	BFSI	harshilgandhi@way2wealth.com	+9122-4019 2915
Institutions	Designation		Email	Telephone
Kaushal Jaini	Vice President		kaushaljaini@way2wealth.com	+9122-4019 2916
Manisha Panchal	Institutional Dealer		manishapanchal@way2wealth.com	+9122-4019 2984

Disclaimer

Analyst Certification: I, Yogita Desai, the research analyst and author of this report, hereby certify that the views expressed in this research report accurately reflect our personal views about the subject securities, issuers, products, sectors or industries. It is also certified that no part of the compensation of the analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations or views in this research. The analyst(s), principally responsible for the preparation of this research report, receives compensation based on overall revenues of the company (Way2Wealth Brokers Private Limited, hereinafter referred to as Way2Wealth) and has taken reasonable care to achieve and maintain independence and objectivity in making any recommendations.

It is confirmed that Yogita Desai, the author of this report has not received any compensation from the companies mentioned in the report in the preceding 12 months. Our research professionals are paid in part based on the profitability of Way2Wealth, which include earnings from other business. Neither Way2Wealth nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information contained in this report.

This report is for the personal information of the authorized recipient and does not construe to be any investment, legal or taxation advice to you. Way2Wealth is not soliciting any action based upon it. Nothing in this research shall be construed as a solicitation to buy or sell any security or product, or to engage in or refrain from engaging in any such transaction. The contents of this material are general and are neither comprehensive nor appropriate for every individual and are solely for the informational purposes of the readers. This material does not take into account the specific objectives, financial situation or needs of an individual/s or a Corporate/s or any entity/s.

This research has been prepared for the general use of the clients of the Way2Wealth and must not be copied, either in whole or in part, or distributed or redistributed to any other person in any form. If you are not the intended recipient, you must not use or disclose the information in this research in any way. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. Way2Wealth will not treat recipients as customers by virtue of their receiving this report. The distribution of this document in other jurisdictions may be restricted by the law applicable in the relevant jurisdictions and persons into whose possession this document comes should inform themselves about and observe any such restrictions.

The report is based upon information obtained from sources believed to be reliable, but we do not make any representation or warranty that it is accurate, complete or up to date and it should not be relied upon as such. Way2Wealth or any of its affiliates or employees makes no warranties, either express or implied of any kind regarding any matter pertaining to this report, including, but not limited to warranties of suitability, fitness for a particular purpose, accuracy, timeliness, completeness or non-infringement. We accept no obligation to correct or update the information or opinions in it. Way2Wealth or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. The recipients of this report should rely on their own investigations. In no event shall Way2Wealth be liable for any damages of any kind, including, but not limited to, indirect, special, incidental, consequential, punitive, lost profits, or lost opportunity, whether or not Way2Wealth has advised of the possibility of such damages.

This material contains statements that are forward-looking; such statements are based upon the current beliefs and expectations and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements. These uncertainties include but are not limited to: the risk of adverse movements or volatility in the securities markets or in interest or foreign exchange rates or indices; adverse impact from an economic slowdown; downturn in domestic or foreign securities and trading conditions or markets; increased competition; unfavourable political and diplomatic developments; change in the governmental or regulatory policies; failure of a corporate event and such others. This is not an offer to buy or sell or a solicitation of an offer to buy or sell any security or instrument or to participate in any particular trading strategy. No part of this material may be copied or duplicated in any form by any means or redistributed without the written consent of Way2Wealth. In no event shall any reader publish, retransmit, redistribute or otherwise reproduce any information provided by Way2Wealth in any format to anyone. Way2Wealth and its affiliates, officers, directors and employees including persons involved in the preparation or issuance of this report may from time to time have interest in securities / positions, financial or otherwise in the securities related to the information contained in this report.

To enhance transparency, Way2Wealth has incorporated a Disclosure of Interest Statement in this document. This should, however, not be treated as endorsement of the views expressed in the report.

Disclosure of Interest Statement in Laxmi Organics Ltd. as on March 15, 2021

Name of the Security	Laxmi Organics Ltd.
Name of the analyst	Yogita Desai
Analysts' ownership of any stock related to the information contained	NIL
Financial Interest	
Analyst:	No
Analyst's Relative: Yes / No	No
Analyst's Associate/Firm: Yes/No	No
Conflict of Interest	No
Receipt of Compensation	No
Way2Wealth ownership of any stock related to the information contained	NIL
Broking relationship with company covered	NIL
Investment Banking relationship with company covered	NIL

This information is subject to change without any prior notice. Way2Wealth reserves at its absolute discretion the right to make or refrain from making modifications and alterations to this statement from time to time. Nevertheless, Way2Wealth is committed to providing independent and transparent recommendations to its clients and would be happy to provide information in response to specific client queries.