



LAXMI ORGANIC INDUSTRIES LIMITED

Our Company was incorporated as Laxmi Organic Industries Limited at Mumbai, Maharashtra as a public limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated May 15, 1989 issued by the Registrar of Companies, Maharashtra at Mumbai. Our Company received a certificate for commencement of business on December 20, 1989 pursuant to the provisions of the Companies Act 1956. For further details relating to the changes in the registered office of our Company, see "History and Certain Corporate Matters" on page 187 of the Red Herring Prospectus dated March 4, 2021 ("RHP").

Registered Office: A-22/2/3, MIDC, Mahad, Raigad - 402 309, Maharashtra; **Tel:** +91-2145-232424; **Corporate Office:** Chandermukhi Building, 2nd and 3rd Floor, Nariman Point, Mumbai – 400021, Maharashtra; **Tel:** +91-22-49104444

Contact Person: Aniket Hirpara, Company Secretary and Compliance Officer; **Tel:** +91-22-49104467; **E-mail:** investors@laxmi.com; **Website:** www.laxmi.com; **Corporate Identity Number:** U24200MH1989PLC051736

OUR PROMOTERS: YELLOW STONE TRUST AND RAVI GOENKA

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 2 EACH ("EQUITY SHARES") OF LAXMI ORGANIC INDUSTRIES LIMITED ("OUR COMPANY") OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹ 6,000.00 MILLION ("OFFER"). THE OFFER COMPRISES OF A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 3,000.00 MILLION ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 3,000.00 MILLION BY YELLOW STONE TRUST ("PROMOTER SELLING SHAREHOLDER"), (THE "OFFER FOR SALE", AND TOGETHER WITH THE FRESH ISSUE, THE "OFFER"). THE OFFER WILL CONSTITUTE [●] % OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL.

"OUR COMPANY HAS, IN CONSULTATION WITH THE BRLMs, UNDERTAKEN A PRIVATE PLACEMENT OF 15,503,875 EQUITY SHARES AGGREGATING TO ₹ 2,000.00 MILLION ("PRE-IPO PLACEMENT"). THE SIZE OF THE FRESH ISSUE OF EQUITY SHARES AGGREGATING UP TO ₹ 5,000.00 MILLION HAS BEEN REDUCED BY ₹ 2,000.00 MILLION PURSUANT TO THE PRE-IPO PLACEMENT AND ACCORDINGLY, THE FRESH ISSUE COMPRISES OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 3,000.00 MILLION AND CONSEQUENTLY THE OFFER SIZE HAS BEEN REDUCED FROM UP TO ₹ 8,000.00 MILLION TO UP TO ₹ 6,000.00 MILLION.

Qualified Institutional Buyers Portion: Not more than 50% of the Offer | Retail Individual Investors Portion: Not less than 35% of the Offer

Non-Institutional Investors Portion: Not less than 15% of the Offer

Price Band: ₹ 129 to ₹ 130 per Equity Share of face value of ₹ 2 each.

The Floor Price is 64.50 times the face value of the Equity Shares and the Cap Price is 65.00 times the face value of the Equity Shares.

Bids can be made for a minimum of 115 Equity Shares and in multiples of 115 Equity Shares thereafter.

ASBA*

Simple, Safe, Smart way of Application!!!

*Applications Supported by Blocked Amount ("ASBA") is a better way of applying to offers 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 Retail Individual Bidders ("RIBs")**.

Investors are required to ensure that the bank account used for bidding is linked to their PAN.

UPI – Now available in ASBA for RIBs applying through Syndicate Members, sub-syndicate members, Registered Brokers, CDPs and RTAs. RIBs 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.

*ASBA has to be availed by all the investors, except Anchor Investors. UPI may be availed by RIBs.

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 "Offer Procedure" beginning on page 367 of the RHP. The process is also available on the website of Association of Investment Bankers of India ("AIBI"), Stock Exchanges and in the General Information Document. ASBA Forms can be downloaded from the websites of the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), and together with BSE, 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.

**List of banks supporting UPI is also available on the website of SEBI at www.sebi.gov.in. For the list of UPI Apps and Banks live on IPO, please refer to the link: <https://www.npci.org.in/upi-live-ipo>. HDFC Bank Limited 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 grievance investors may contact: Axis Capital Limited - Mr. Sagar Jatakiya (+91 22 4325 2183) (laxmi.ip@axiscap.in) or DAM Capital Advisors Limited (Formerly known as IDFC Securities Limited) – Mr. Kunal Thakkar (+91 22 4202 2500) (laxmi.ip@damcapital.in). For UPI related queries, investors can contact NPCI at the toll free number: 18001201740 and Mail Id: upi_ipo@npci.org.in.

Risks to Investors:

- The two Book Running Lead Managers associated with the Offer have handled 15 public issues in the past three years out of which 7 closed below the issue price on listing date.
- Price/Earnings ratio based on diluted EPS for FY 2020 for the issuer at the upper end of the Price band is as high as 45.45 as compared to the average industry peer group PE ratio of 21.70.
- Average Cost of acquisition of Equity Shares by the Promoters (including Promoter Selling Shareholder) is ₹ 0.05 per Equity Share and the Offer Price at the upper end of the Price Band is at ₹ 130 per Equity Share.
- Weighted Average Return on Net Worth for Fiscals 2020, 2019 and 2018 is 16.94%

BASIS FOR THE OFFER PRICE

The Price Band, Floor Price and Offer Price will be determined by our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of the quantitative and qualitative factors described below. The face value of the Equity Share is ₹ 2 and the Offer Price is 64.50 times the face value at the lower end of the Price Band and 65.00 times the face value at the higher end of the Price Band. Some of the financial information for Fiscals 2018 and 2019 included herein is derived from our Restated Consolidated Financial Information. Investors should also refer to "Our Business", "Risk Factors", "Restated Consolidated Financial Statements" and "Management's Discussion and Analysis of Financial Position and Results of Operations" on pages 164, 27, 233 and 302, of the RHP, respectively, to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors and strengths which form the basis for computing the Offer Price are:

a. Leading manufacturer of ethyl acetate with significant market share; b. Only Indian manufacturer of diketene derivatives with a significant market share and one of the largest portfolios of diketene products; c. Diversified customer base across high growth industries and long-standing relationships with marquee customers; d. Strategically located manufacturing facilities, vertical integration and supply chain efficiencies; e. In-house research and development capabilities and consistent track record of technology absorption; f. Global presence and low geographical concentration; g. Differentiated business model, asset base, product mix and experience in handling complex chemistries create high entry barriers; and h. Experienced promoter, board of directors and key managerial personnel.

For further details, see "Our Business – Our Strengths" on page 165 of the RHP.

Quantitative Factors

The information presented below relating to our Company is based on the Restated Consolidated Financial Statements on page 233 of the RHP.

Some of the quantitative factors which may form the basis for calculating the Offer Price are as follows:

I. Basic and diluted earnings per share ("EPS")

Fiscal/Period	Basic and Diluted EPS (₹)	Weight
2020	2.86	3
2019	2.89	2
2018	3.03	1
Weighted Average	2.90	
Six month period ended September 30, 2020	2.02*	

*not annualised

Pursuant to a resolution of our shareholders dated November 24, 2020, each equity share of our Company of face value of ₹ 10 was sub-divided into 5 equity shares of face value of ₹ 2 each and accordingly 45,016,395 equity shares of ₹ 10 each were sub-divided into 225,081,975 equity shares of face value of ₹ 2 each. EPS has been calculated after giving effect to such sub-division.

II. Price/Earning ("P/E") ratio in relation to Price Band of ₹ 129 to ₹ 130 per Equity Share:

Particulars	P/E at the lower end of the Price Band (number of times)	P/E at the higher end of the Price Band (number of times)
Based on basic EPS for Fiscal 2020	45.10	45.45
Based on diluted EPS for Fiscal 2020	45.10	45.45

Industry Peer Group P/E ratio

Particulars	Industry P/E (number of times)
Highest	35.46
Lowest	14.68
Average	21.70

Note: The industry high and low has been considered from the industry peer set provided later in this chapter. The industry composite has been calculated as the arithmetic average of P/E for industry peer set disclosed in this section. All the financial information for listed industry peers mentioned above is sourced from the audited financial statements of the relevant companies for Fiscal 2020, as available on website of stock exchanges. For further details, see "Comparison with listed industry peers" on pages 127 of the RHP.

III. Return on Net Worth ("RoNW")

As per Restated Consolidated Financial Statements:

Financial Year ended	RoNW (%)	Weight
Fiscal 2020	16.45%	3
Fiscal 2019	16.13%	2
Fiscal 2018	20.01%	1
Weighted Average	16.94%	
Six month period ended September 30, 2020*	9.65%	

*not annualised

For further details, please see the chapter titled "Basis for the Offer Price" beginning on page 125 of the RHP.

BID / OFFER PROGRAMME

BID/OFFER OPENS ON MONDAY, MARCH 15, 2021* | BID/OFFER CLOSURES ON WEDNESDAY, MARCH 17, 2021

* Our Company and the Promoter Selling Shareholder may, in consultation with the BRLMs, 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 in this case being Friday, March 12, 2021.

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 press release, and also by indicating the change on the respective websites of the BRLMs(s) and at the terminals of the members of the Syndicate and by intimation to Designated Intermediaries and the Sponsor Bank.

The Offer is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 31 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations"). The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs") (the "QIB Portion"), provided that our Company and the Promoter Selling Shareholder in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the Anchor Investor Allocation Price. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All Bidders, other than Anchor Investors, are mandatorily required to participate in the Offer through the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective ASBA Account, which will be blocked by the Self Certified Syndicate Banks ("SCSBs"). Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see "Offer Procedure" beginning on page 367 of the RHP.

Bidders/Applicants should ensure that DP ID, PAN and the Client ID and UPI ID (as applicable, in case RIBs) 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 and Client ID as provided in the Bid cum Application Form, the Bidder/Applicant may be deemed to have authorized 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.

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE OFFER	COMPANY SECRETARY AND COMPLIANCE OFFICER
AXIS CAPITAL Axis Capital Limited Address: 1 st Floor, Axis House, C-2 Wadia International Center Pandurang Budhkar Marg, Worli, Mumbai- 400 025 Maharashtra Tel: +91 22 4325 2183; E-mail: laxmi.ip@axiscap.in Investor Grievance E-mail: complaints@axiscap.in Website: www.axiscapital.co.in ; Contact Person: Sagar Jatakiya SEBI Registration No.: INM000012029	DAM CAPITAL DAM Capital Advisors Limited (Formerly known as IDFC Securities Limited) Address: One BKC, Tower C, 15 th Floor, Unit No. 1511, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra Tel: +91 22 4202 2500; E-mail: laxmi.ip@damcapital.in Investor Grievance E-mail: complaint@damcapital.in ; Website: www.damcapital.in Contact Person: Kunal Thakkar; SEBI Registration No.: MB/INM000011336	LINK Intime Link Intime India Private Limited C101, 247 Park, L.B.S. Marg, Vikhroli (West) Mumbai - 400 083, Maharashtra Tel: +91 22 4918 6200; E-mail: laxmiorganic.ip@linkintime.co.in Investor grievance email: laxmiorganic.ip@linkintime.co.in Website: www.linkintime.co.in ; Contact Person: Shanti Gopalakrishnan SEBI Registration No.: INR000004058	Mr. Aniket Hirpara LAXMI ORGANIC INDUSTRIES LIMITED Chandermukhi Building, 3rd Floor, Nariman Point, Mumbai – 400021 Maharashtra Telephone: +91 22-49104467; E-mail: investors@laxmi.com ; Website: www.laxmi.com Bidders may contact the Company Secretary and Compliance Officer, the Registrar to the Offer and / or the BRLMs in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, noncredit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc.

AVAILABILITY OF 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 will be made available on the website of the SEBI at www.sebi.gov.in, the websites of the BRLMs, Axis Capital Limited at www.axiscapital.co.in and DAM Capital Advisors Limited (Formerly known as IDFC Securities Limited) at www.damcapital.in and the websites of the Stock Exchanges, for BSE at www.bseindia.com and for NSE at www.nseindia.com.

AVAILABILITY OF BID CUM APPLICATION FORM: Bid cum Application Form can be obtained from the Registered and Corporate Office of Company, LAXMI ORGANIC INDUSTRIES LIMITED : Tel: +91-2145-232424; BRLMs: Axis Capital Limited, +91 22 4325 2183 and DAM Capital Advisors Limited (Formerly known as IDFC Securities Limited), +91 22 4202 2500; Syndicate Member: Sharekhan Limited, +91 22 6115 0000 and at selected locations of Sub-Syndicate Members (as given below), Registered Brokers, SCSBs, Designated RTA Locations and Designated CDP Locations for participating in the Offer. Bid cum Application Forms will also be available on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com and at all the Designated Branches of SCSBs, the list of which is available on the websites of the Stock Exchanges and SEBI.

SUB-SYNDICATE MEMBERS: Axis Securities Limited; Achievers Equities Ltd.; Almond Global Securities Limited; Amrapali Capital & Finance Services Limited; Anand Rathi Share & Stock Brokers Limited; Anand Share Consultancy; Angel Capital & Debt Market Limited; ANS Pvt Limited; Ashika Stock Broking Limited; Ashwani Dandia & Co; Bonanza Portfolio Limited; Centrium Broking Limited; Dalal & Broacha Stock Broking Pvt Limited; Edelweiss Broking Limited; Eureka Stock & Share Broking Services Limited; G Raj & Co. (Consultants) Limited; HDFC Securities Limited; Hem Securities Limited; ICICI Securities Limited; IDBI Capital Market Services Limited; IDBI Capital Markets & Securities Limited; IIFL Securities Limited; Jhaveri Securities; JM Financial Services Limited; Joindre Capital Services Limited; Keynote Capitals Limited; KJMC Capital Market Services Limited; Katpatru Multiplier Limited; Lakshminshree Investment & Securities Pvt Limited; LKP Securities Limited; Marwadi Shares & Finance; Matalia Stock Broking Pvt Limited; Motilal Oswal Financial Services Limited; Nirmal Bang Securities Pvt. Limited; Ohm Securities; Patel Wealth Advisors Pvt Limited; Prabhudas Lilladher Pvt Limited; Pravin Ratilal Share & Stock Brokers Limited; Realiance Securities Limited; Religare Securities Limited; RR Equity Brokers Pvt Limited; SBICAP Securities Limited; Shri Parasram Holdings Pvt Limited; SMC Global Securities Limited; SS Corporate Securities Limited; Sushil Financial Services Private Limited; Tanna Financial Services; Way2wealth Brokers Pvt Limited and Yes Securities (India) Limited.

ESCROW COLLECTION BANK AND REFUND BANK: Axis Bank Limited. | **PUBLIC OFFER ACCOUNT BANK AND SPONSOR BANK:** HDFC Bank Limited. | **UPI:** Retail Individual Bidders can also Bid through UPI mechanism.

All capitalised terms used herein and not specifically defined shall have the same meaning as ascribed to them in the RHP.

Place: Mumbai
Date: March 8, 2021

LAXMI ORGANIC INDUSTRIES LIMITED is proposing, subject to receipt of requisite approvals, market conditions and other considerations, to make an initial public offer of its equity shares and has filed the RHP with the RoC and thereafter with SEBI and the Stock Exchanges. The RHP is available on the website of Securities and Exchange Board of India at www.sebi.gov.in, on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com as well as on the websites of the BRLMs, Axis Capital Limited at www.axiscapital.co.in and DAM Capital Advisors Limited (Formerly known as IDFC Securities Limited) at www.damcapital.in, respectively. Investors should note that investment in equity shares involves a high degree of risk and for details relating to such risk, see "Risk Factors" of the RHP. Potential investors should not rely on the DRHP filed with SEBI for making any investment decision.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and applicable laws of the jurisdictions where such offers and sales are made. There will be no public offering in the United States.

For LAXMI ORGANIC INDUSTRIES LIMITED

On behalf of the Board of Directors

Sd/-
Company Secretary & Compliance Officer

CONCEPT