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MARKET

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STOCK BUZZ

Lasa Supergenerics Ltd: Niche Veterinary API

By Subramanian Mahadevan

(BSE Code: 540702) (CMP: Rs.181.55) (FV: Rs.10)

Maharashtra-based Lasa Supergenerics Ltd (Lasa) is a new born kid in the chemical/veterinary API space. It was demerged from another listed company - Omkar Speciality Chemicals Ltd (OSCL), before it got listed as a separate entity. Lasa is a vertically integrated player spanning the entire veterinary, animal and human healthcare value chain from discovery-to-delivery, with established credentials in research, manufacturing and global marketing. OSCL had acquired this entity in April 2012 for ~Rs.6 crore as part of forward integration for some of its chemicals. From a revenue base of less than Rs.10

crore before the acquisition, Lasa achieved a turnover of Rs.200 crore in FY17 and it continues to grow aggressively. Its manufacturing base is located at Mahad in Maharashtra. Its production facilities are WHO Good Manufacturing Practices (GMP) and FDA approved. Lasa specializes in 'catalyst chemistry' and manufactures anthelmintic/veterinary API products with the largest production capabilities and product categories in India. It has a well-diversified product basket in the animal health segment, which includes veterinary products, APIs, animal feed ingredients and re-agents for therapeutic uses. It has filed 7 process patents with the Patents

Office, Government of India. It has obtained 'Certificate of Suitability' from the European Directorate for the Quality of Medicines & Healthcare (EDQM), for selling one of its premium products - Fenbendazole. The animal healthcare pharmaceutical industry has key advantages with different market dynamics compared to the regular pharma sector like favorable pricing environment, higher R&D productivity and limited competition with huge untapped market potential ahead. Lasa is expected to report a top-line of Rs.250 crore in FY18 with an EPS of Rs.10+. Investors can accumulate this stock on every decline for double-digit returns in the next two years.