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Lasa Supergenerics acquires Harishree Aromatics

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The amalgamation and consolidation will result in an increase in market share



Mumbai based veterinary API major, Lasa Supergenerics Limited recently announced its acquisition of Harishree Aromatics And Chemicals Private Limited which is in the manufacturing of Veterinary API & Other Pharmaceuticals Intermediates.

In addition to the takeover of the manufacturing unit along with all other assets and liabilities whereas transferor is a debt free company, the amalgamation and consolidation will result in an increase in market share, product and services diversification, combined pool of reserves, investments and other assets giving it a competitive edge over its listed and unlisted peers

While the deal size has not to be disclosed, the corporate announcement uploaded on the stock exchanges stated that on the scheme becoming effective shareholders of Harishree will be entitled to 1000 fully paid up shares of Lasa for every 35 equity shares held

Commenting on the acquisition, Dr. Omkar Herlekar, Chairman– Lasa Supergenerics Limited, said “This acquisition has been a strategic decision to restructure our current potential and a forward integrate. The amalgamation of both the entities stands to extract synergistic benefits, economies of scale, better cash flow management, optimisation of borrowing costs resulting in better financial and operational efficiencies and better shareholder value”

The company recently announced the third quarter and nine months ended results where it turned net positive. It declared revenue of Rs. 39.29 cr, EBITA of Rs. 8.16 cr which was up by 8.7%, EPS of Rs.0.89 as compared to a negative 2.31 and a PAT of Rs 2.57 cr against a loss of Rs.5.28 cr compared to the previous quarter. The company is working towards bringing down the finance costs and the working capital cycle.

The share price has been hitting new 52 week high record post Q3FY20 results and acquisition of new entity. The stock has achieved upper circuit for last six consecutive days with a total turnover of approx 32,90,089 and a 100% quantity deliverable. The investors are cheering the inorganic growth strategy of the company and hope the trajectory will continue and will help to increase the value of the shareholders.