

Natco gets buy from ICICI Direct

In the aftermath of the US Supreme Court's decision to hear an appeal by Teva's case against allowing other rival generic players to manufacture multiple-sclerosis drug Copaxone, the benefit from its sales for Natco could get delayed. Teva wants Copaxone to be protected from generic rivals until September 2015, which otherwise would lose legal protection in May. Copaxone registered \$805 million sales in the US in the December quarter. The court will hear arguments and rule during its 2014-15 term, which starts in October and runs through the following June. The brokerage has altered its assumptions and calculations to incorporate the development as this will most likely cause a delay in product launch. The management remains confident of getting USFDA approval for Glatiramer Acetate (gCopaxone) any time soon. It feels that if the verdict comes in Teva's favour, it will be "lost profit" and not a loss.

Broking House: ICICI Direct

Rating: Buy

Closing price: ₹713.40

Company