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Ranbaxy

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RECO PRICE: ₹437, TARGET PRICE: ₹480

Mylan has sued the US FDA for inaction and failure to disclose the status on 180-day marketing exclusivity relevant to Ranbaxy's ANDA on generic Lipitor. While it would be difficult to comment on US FDA action, any denial of 180-days exclusivity (a rare possibility) to Ranbaxy for generic Lipitor would shave Rs36/share from Pinc research's target price (Rs480/share) and provide huge negative sentiment for the stock. However, analysts continue to believe that Ranbaxy would be able to monetize generic Lipitor exclusivity through Ohm labs (as seen in case of generic Aricept). Further, analysts are cognizant of the competitive scenario in generic Lipitor (Watson-AG) during the exclusivity period and have factored in only Rs36/share.

Maintain hold.

--- Pinc Research

Industry.