

Lupin, Cipla gain on drug approvals

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SHARES of Lupin gained 1.8 per cent intra-day after the US food and drug administration (FDA) gave a tentative approval for generic version of cholesterol drug Niacin. Cipla also gained 1.3 per cent intra-day after getting tentative approval from FDA for a combined HIV drug.

"Tentative approval" means that FDA has concluded that a drug product has met all required quality,

safety and efficacy standards, but is not eligible for marketing in the US because of existing patent protections. Lupin touched an intra-day high of Rs 925.40 while Cipla touched an intra-day high of Rs 406.

On Wednesday, Lupin stock gained after it received tentative approval on Monday to sell Niacin oral tablets, a form of vitamin B, of strength 500 mg, 750 mg and 1000 mg in the US market. The generic name of Niacin is Niaspan.

According to Reuters,

Niacin's sales are worth \$1.2 billion in the US market, out of which Lupin can make \$30 million of sales annually.

"Lupin will launch the product in the US market once it receives the final approval from the FDA. The drug will reduce the risk of cardiovascular disease as it increases HDL cholesterol levels. Lupin is expected to benefit from the limited competition since not too many players are selling this product," said a Mumbai-based pharma analyst.

On the other hand, Cipla

has also received a tentative approval for Efavirenz, Lamivudine, Tenofovir Disoproxil Fumarate of strength 600 mg. An approximate size of the market for the combined HIV drug, however, could not be ascertained at the moment.

However, Cipla shares closed at Rs 916.60 apiece, up 0.88 per cent from the previous close while the shares of Cipla closed at Rs 401.55, up only 0.25 per cent from the previous close.

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