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Morepen Group seals Rs 750 Cr investment to expand diagnostic biz

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Investment into world class diagnostics facilities including the manufacture of critical inputs/components/enzymes to meet regulated market standards



The Board of Directors of Morepen Laboratories has approved the investment proposed by Corinth Group, a global private investment Group, headquartered in Switzerland, to the extent of $32.50 million in the parent company, Morepen Laboratories Limited, out of a total $100 million (Rs 750 crores approx) investment in the promoter group, subject to approval of the shareholders and other regulatory bodies.

Following shareholder and regulatory approval, Corinth would be allotted 58.50 million new Equity shares on preferential basis. This shareholding would equate to 9.41% equity stake in the Company on a fully expanded capital base. The balance $67.50 million would be in the promoter group companies.

The funds would be used in:

- The expansion/scaling up of the company's R&D centre/facilities to meet the significantly enhanced Active Pharmaceutical Ingredient (API) demand, a market size of US$40 billion, that Morepen has in the pipeline for the next 3 years.
- Setting up new USFDA standard API plant to meet the significant ramp up in scale and pipeline the company is working on.
- Establishing a world class facility for Finished Dosages as per USFDA standards at Morepen's pharma complex in Baddi, Himachal Pradesh, to cater to highly sophisticated/regulated markets such as the USA and Japan.
- Investment into world class diagnostics facilities including the manufacture of critical inputs/components/enzymes to meet regulated market standards.
- Investment in new products and brands under the Dr Morepen umbrella, an existing household brand, to leverage its pan India distribution/supply chain and exponential growth in online sales.
- Investment in new age Personal Care/Skin Care brands "Gubb" and "Happier" that are seeing exponential online sales, as well as to leverage our Pan India pharmacy/retail chain network to significantly scale up distribution.