

'Nutraceutical Market To Touch \$250 Billion By 2018'

Muhammed Majeed, the founder and chairman of Sami Labs, talks about Ayurveda as an alternative in ailments and its scope in India and abroad



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With over 120 patents globally, Sami Labs, the Rs 650 crore Bengaluru-based herbal product maker, has been taking Ayurveda to the world since 1988, and is now eyeing Dubai, Indonesia and Philippines as its new markets.

Muhammed Majeed, the founder and chairman of Sami Labs, spoke to BW Businessworld about Ayurveda as an alternative in ailments and its scope in India and abroad.

How has your business grown over the years in India and abroad, where you are actively present?

I always wanted to introduce Indian Ayurveda to Americans as a therapeutic adjuvant for various ailments. Hence in 1988, I started Sabinsa Corporation in New Jersey where we marketed more than 30 standardised botanical extracts, most of which were derived from Indian herbs. Witnessing a growing demand for our nutraceutical and cosmeceutical products, we established Sami Labs in Bengaluru in 1991, which houses a large research and development facility today. The objective was to develop nutraceuticals and fine chemicals for various marketing organisations. Sabinsa has become the global B2B marketing arm of Sami Labs. In order to directly market finished products from Sami Labs, we started SamiDirect, the direct selling arm of Sami Group, in 2010.

Today Sami Labs has string of alliances in the US, Japan, Korea, Europe, Australia, the Middle East, South Africa and China.

How many patents have you got till now?

Sami Labs now encompasses over 120 patents globally. Unlike other organisations in the space, Sami Labs houses a research facility with over 150 scientists involved in specialised work in areas of phytochemistry, organic chemistry, tissue culture and plant biotechnology.

The recent patents are in relation to ingredients such as calebinoids, stilbenoids, peptides, 3-hydroxypterostilbene, boswellic acids and garcinol along with several others in countries such as China, New Zealand, USA, Canada and Mexico. The patents granted for applications of ingredients range from hypercholesterolemia, weight management, treating skin aging, inhibiting and preventing adipogenesis, protecting articular cartilage and even a hepatoprotectant molecule. Many of these will find a place for commercialization and licensing.

The current R&D impetus of the Sami-Sabinsa group focuses strongly on immunological basis of disease management by natural principles. With generation of precise scientific evidence at the basic, pre-clinical, and clinical research stages, the group believes in creating reliable and responsible science. This objective has been recognized by the intellectual property systems across the globe.

How do you place and rate yourself among other Nutra giants?

Sami marks its difference in the industry as it is one of the few companies that is self-sustained and constructive by following the farming-to-formulation module, with each and every product assured to be of the best quality.

What is the size of this industry in India and how has been your revenue in the last fiscal?

Presently, India accounts for less than 10 per cent market share in nutraceutical market globally that is predicted to scale up to \$250 billion industry by 2018. The overall industry is growing annually at the rate of 7 per cent where India holds the individual annual growth rate of around 20 per cent which also reflects to incur tremendous amount of opportunities. Having 4 out of the 25 global biodiversity hotspots, there is much to be explored that has been left untapped.

SamiDirect, the direct selling arm of Sami Group, is growing at the rate of 25-30 per cent on a year-on-year basis and we are aiming to clock a turnover of Rs 100 crores in the next two years. The products are sold through more than 3 lakh independent business owners in India, Malaysia and Bangladesh. We plan to increase our footprint to Dubai, Indonesia and Philippines within the next two years and expand our portfolio to include more award-winning products.

How Ayurveda could be used in curing lifestyle diseases?

The growing awareness across the globe about the medicinal and therapeutic effects of herbal products and the adverse side effects of allopathic medicines are driving demand for herbal products—herbal extracts, dietary supplements and herbal beauty aids. According to the World Health Organization, nearly 80 per cent of the global population still relies on traditional herbal therapies for primary healthcare.

This knowledge is presently validated and tested through clinical studies for major lifestyle disorders which require the prevention and management of various disorders and disease conditions.

What is your take on insurance coverage for Ayurvedic treatments? Will it attract more people to follow alternative medicine?

Ayurveda is more a medical practice that encompasses preventive and management health care. It caters to offering solutions to a number of lifestyle disorders that is on a high rise. An incentive with respect to offering insurance will see more number of individuals preferring Ayurvedic treatments since the approach is holistic, safe and effective as substantiated through modern scientific methods.

What is the scope for start-up in this industry?

Any person investing in such a business must understand basic factors like underserved markets, low income citizens and the innovators or healthcare providers who cater to them. It is also important to pay attention to retain ability of products like diagnostics, treatments and speciality it offers and reducing costs without sacrificing the quality of the product and care. One should also look at monitoring technologies as it would help to keep crisis at bay.
