

Sami Labs in search of land for backward integration

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Bengaluru, 21 April

The ₹650-crore Sami Labs Ltd, the Bengaluru-based health sciences company, is embarking on an aggressive efforts at backward integration to ensure adequate supply of key raw materials — herbs and medicinal plants — for its herbal formulations plants.

The company, which mainly exports standardised herbal extracts and phytonutrients to the US and European global

drug companies, is looking to acquire close to 5,000 acres of farm land in Tamil Nadu to grow herbs and medicinal plants.

"We wish to set up a demonstration farm to train farmers on how to grow specific herbs required for us. We are also looking to source a variety of raw materials for our factories which can be grown on farmlands. We need at least 5,000 acres of farmland which we have identified that belong to farmers, individuals and trusts in Tamil Nadu," Sami Labs

founder and managing director Muhammed Majeed told Business Standard.

The company has identified lands in Tirunelveli, Dharmapuri and Dindigul regions in Tamil Nadu, he said, adding he hopes to close a deal this year.

Majeed said, around 360 out of 400 medicinal herbs are endangered and are not easily available. So, the company wants to take up cultivation of many of those in order ensure adequate supply of raw materials to its factories in India and the US.

Sami Labs has seven manufacturing plants in India and the US through its Sabinsa Corporation.

Sami Labs requires around 20,000 tonnes of turmeric and many other raw materials like gac, black ginger, bitter gourd, tulasi and shatavari, which is in short supply. Black ginger, which is used as an aphrodisiac in East and South East Asian countries like Japan, Thailand, Indonesia and in India, is grown mainly in the eastern parts of the country and the company wants to take up cul-

tivation on its own. For tulasi alone, the company wants to take up cultivation on about 1,000 acres.

The company is also working with the horticulture department, forest departments to source raw materials for its manufacturing units.

Sami has also formed its own multi-level marketing firm — Sami Direct to sell its cosmetics and nutraceuticals products. It recently launched its cosmetics under the brand name Johara, which will be sold through Sami Direct.