



Ayurveda products group Dhathri looks to offload 20% stake

Rajesh Kurup

To raise Rs. 100 crore for global foray, expansion within the country

S Sajikumar, CMD

Mumbai, March 9:

In an attempt to contemporarise a traditional science, Kerala-based Dhathri, manufacturer of ayurveda-based medicine and FMCG products, has completed clinical trials for 40 of its FMCG products. The privately-held company is also looking at raising about ₹100 crore by offloading about 20 per cent to private equity firms.

Though not mandatory according to Indian rules, the company took the initiative to document the research of its hair care, healthcare and skincare products, as it prepares to take them into regulated markets. This would be among the few instances of an ayurvedic firm conducting clinical trials on FMCG products.

“These certifications are part of our plans to tap global markets. In certain places these are pushed as nutraceuticals (products from food sources that provide extra health benefits) and not as medicines,” its Chairman and Managing Director S Sajikumar told *Business Line*.

“In markets such as Europe, we need to talk to them in their language,” Sajikumar said, adding the certifications would allow them to substantiate the health claim made on their products.

The trials were done by Chennai-based Aurous HealthCare on people in Kerala, Tamil Nadu and Karnataka, and approved by the AYUSH department (body for the Indian Systems of Medicine and Homoeopathy).

Dhathri, which has presence in three southern States (Kerala, Tamil Nadu and Karnataka), Gulf countries, Singapore, Malaysia and Australia, is now looking at venturing into Europe, where it is facing opposition on fears of products containing traces of metal.

To venture into the US, the company is also looking at getting the US Food and Drug Administration approval for its plant and products.

Dhathri may also look at an initial public offering in the next two years.

Expansion plans

The Dhathri group, which has a 300-year-old legacy in Ayurveda medicines, has firmed up ₹100-crore expansion plan, to support marketing efforts in North India, Sajikumar added.

The funds will also be used for global foray and expansion in the country. Sajikumar holds 98 per cent stake in the company, with the remaining held by family members.

The company, which runs 12 hospitals (3 in-patient and 9 day clinics) including in Maharashtra and Karnataka, also sells about 70 prescription products.

The company expects its turnover to increase to about ₹165 crore in FY15. The Kochi-based firm expects to close this financial year with turnover of about ₹120 crore.

Soukyam foods

Dhathri plans to launch low-calorie nutritional food products, under the ‘Soukyam’ brandname. The commercial launch of the nutritional foods, including ragi-based products, is expected in another 2-3 months, Sajikumar said.

The company will also set up a Grow Ayurveda Foundation (GAF), a not for profit organisation to incubate and nurture research ideas in this traditional medicine stream.