

# Oz health supplement firm sets up mfg base via JV in Pune

**File Bureau**

**Pune, Sep 14:** Holista CollTech, an Australian manufacturer of natural health supplements, is setting up a manufacturing base in India through a 40:60 joint venture with Pune-based Hi Tech BioSciences, a R&D company engaged in biotechnology, pharmaceuticals and agriculture to tap the global market for herbal solutions. This is the company's first joint venture and manufacturing base outside the Australian market.

The new company, Equinox Herbals, will develop, patent and work on commercialising herbal products at Pune. "The \$4-million manufacturing plant will be set up at Supa MIDC in Ahmednagar district and will manufacture herbal formulations for diabetes and arthritis and will also produce herbal extracts for the domestic as well as global markets in Australia, Asia and China," RP Gaikawari, CMD, Hi Tech BioSciences, said.

"The plant will be ready for operations in the next six months and will manufacture and export formulations and herbal extracts worth \$4 million in the first year of operations," he said. "The new company will focus on marketing herbal extracts for ashwagandha and amla.

The company plans to source amla from a herbal cluster at Amritsar. Formulations would be supplied to American, European and Indian companies as well," Gaikawari said.

Hi Tech BioSciences is a 12-year-old company which has developed a databank of 130 plants and also supplies intermediates for anti-cancer drugs and probiotics to several Indian pharma companies. Holista CollTech, which is listed on the Australian bourse, is the only company producing sheep (ovine) collagen and manufactures health supplements and lifestyle products in Malaysia and Australia.

"Although India has a rich heritage in herbs, they have not been marketed effectively and have not been meeting international standards set by regulatory authorities in other markets. In contrast, Chinese herbs are very well placed in the international market," Gaikawari said. He cited the example of the Chinese ginseng that currently has a turnover of \$ 1.25 billion and is known and endorsed by international sportspersons. The Indian ashwagandha has a turnover of only \$ 18 million. "This needs to be corrected," he pointed out.

M Rajen, CEO, Holista Colltech, estimated the global herbal market at \$80 billion-\$90 billion. India currently has a 5% market-share in the global herbals market, while China has a double-digit market share. The herbals market is dominated by European and American companies.

The joint venture company would also be looking at conducting clinical trials for anti-diabetic and anti-allergic products that have been developed both in India and abroad.