

HOSPITALS TO HOSPITALITY

Max Group eyes education, hotels

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NEW DELHI: Education and hospitality could well be the next growth hotspots for the Anajit Singh promoted Max group. "We have already decided on medicine but we are open to a wider range of education opportunities," Max India Chairman Anajit Singh told *Hindustan Times* in an exclusive interview at his Aurangzeb Road residence in Lutyen's Delhi.

The medical colleges will come up in Uttarakhand, Punjab and Haryana, Singh said.

Besides, Singh is in talks with the P.R.S. Oberoi-promoted EIH Ltd for making a foray into the fast-growing hospitality sector. He holds 4.5 per cent stake in EIH Ltd and was in the news recently for reportedly planning to acquire 17 per cent stake in the hotel chain.

"We have made a beginning, we have acquired a 30-acre plot of land near Dehradun for the construction of a hotel-cum-wellness resort, which would be managed by the Oberoi Group," he said.

A total investment of Rs 2,700 crore has already been made so far, while another Rs 700-800 crore is likely to be injected in the next two years, part of which Singh plans to raise by roping in private equity partners.

Max India operates its main businesses of life insurance and healthcare through two subsidiaries — Max New York Life Insurance and Max Healthcare — both contributing 84 per cent and 8 per cent, respectively, to the group's total revenues.

Max India has recently roped in Goldman Sachs as a new investor, which put in Rs 535 crore (\$115 million) for a 9.4 per cent stake in the company.

The group's consolidated revenues stood at Rs 7,306 crore in 2008-09. It also has subsidiaries in the areas of specialty plastic products and clinical research. The company has set up a joint venture with Bupa for health

insurance services. It has already set up Max Institute of Medical Excellence — a specialised division under Max Healthcare — mandated to impart education and training in the field of medicine.

Under government norms, medical colleges can be set up only within a functioning hospital.

Singh did not specify whether Max India would set up new hospitals to run colleges or buy-out existing private hospitals in these areas.

Max Healthcare has been awarded land by the Punjab government to build two hospitals in Bathinda and Mohali of 300-beds each. These hospitals are expected to be functional by the next year.

In all, the company plans to add around 1,000 beds in its hospitals in the next two years from the existing capacity of 800 beds.

At present, research facilities are being provided to doctors at the eight hospitals of Max Healthcare in Delhi and the National Capital Region, but no formal degree courses in medicine are offered in any of these.

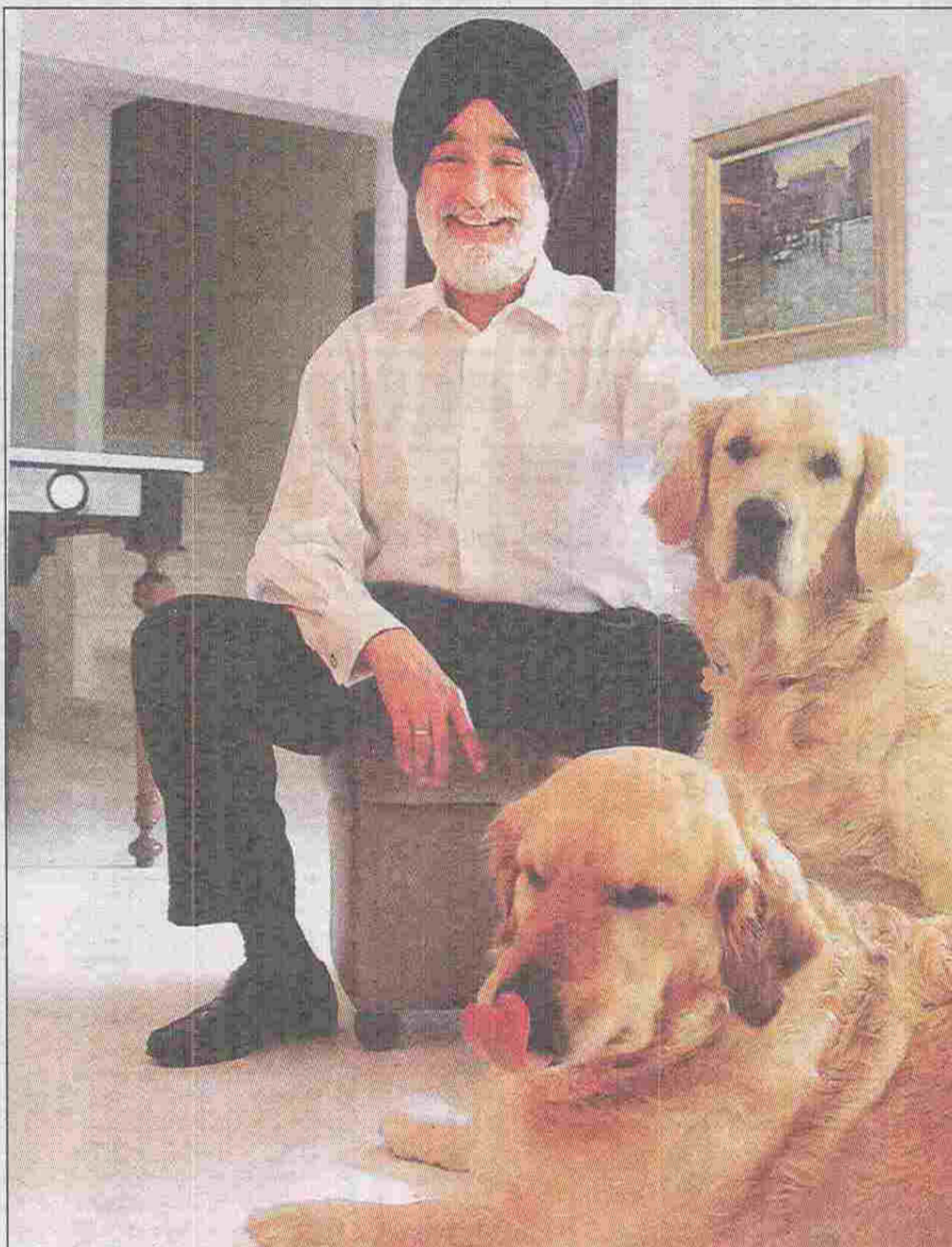
"Healthcare, insurance, education and hospitality are the four areas that I am interested in and want to be in," Singh said.

Singh, a father of three — Pia (28), Vir (27) and Tara (23) — is clear that his children would not be allowed to take over the vast business empire without proving their acumen.

"They are welcome to join the family business but they have to be either managers or owners," he said without mincing words.

"Being a manager and owner can converge later but not in the near future," he said.

"We have engaged a head hunting firm to ensure that the companies are fully governed by boards and we have appointed independent directors, who are totally independent in nature and are not buddies," he said.



■ Anajit Singh with his golden retrievers Koochie and Gumpie

PHOTO: RAJ K RAJ

MAXMISING NUMBERS

7,306

Rs crore, the group's consolidated revenues in 2008-09

535

Rs crore, investment Goldman Sachs made in Max India

1,000

No. of beds the company plans to add in its hospitals in 2 years.