

Nanavati Hospital ties up with Radiant Life Care to expand operations

By *Sabarinath M*, ET Bureau | 17 Jul, 2014, 04.00AM IST

MUMBAI: Mumbai's iconic Nanavati Hospital, inaugurated by Jawaharlal Nehru in 1950, has entered into operations and management (O&M) alliance with healthcare management firm Radiant Life Care, as the 64-year-old hospital looks to introduce global hospital management practices, expand operations and transform itself into a super-specialty hospital.

Post alliance, the 360-bed hospital, founded by Ratilal Manilal Nanavati in memory of his grandfather and physician to the royal family of the Gaekwads, will add another 250 beds at a cost of Rs 350 crore and upgrade the existing facilities at a time when rising consumer awareness is redefining healthcare standards.

"The brand Nanavati will remain intact. Over the past six months, we have screened a series of healthcare management facilities, both domestically and internationally. We found Radiant to be the most appropriate partner," said **Priyam Jhaveri**, chairman of the trust, which controls **Balabhai Nanavati Hospital**.

Radiant Life Care, promoted by former investment banker **Abhay Soi**, will help streamline operations by bringing in global practices and introducing a wide range of medical services. The healthcare management company now manages Delhi's **BLK Hospital**. "The alliance will give us a unique position of managing two iconic super specialty hospitals in India's two biggest metros," said **Soi**, chairman, **Radiant Life Care**.

After helping firms to restructure and turn around operations as the head of financial restructuring at Ernst & Young and Anderson, Soi, 40, co-founded the \$300-million stress-asset fund Halcyon Financial Capital which invested in textile manufacturers, paper board makers, sugar manufacturing and brokerages. Halcyon took over the operations of Delhi-based **Radiant Life Care** for \$40 million (Rs 250 crore) in 2009.

The healthcare management company played a key role in transforming **BLK Hospital** into one of Delhi's largest private sector hospitals with 650 beds. Faced with high operating costs, financial crunch and its inability to compete with other private sector players, **Nanavati Hospital** decided to streamline and expand operations in collaboration with existing healthcare players. The hospital's trust has received proposals from several players, including global healthcare majors.

Radiant's alliance with Nanavati signals the rising trend to seek the services of healthcare management firms to redevelop and manage hospitals. "Hotel industry was the first to leverage on the O&M model in India. This trend is fast catching up in the healthcare sector.

This will lead to faster redevelopment and expansion of hospitals at a time when consumers are looking for modern healthcare facilities," said an analyst with a multinational institutional brokerage firm, who did not wish to be named. The healthcare industry in India is expected to grow at a compounded annual growth rate of 15 per cent to touch \$158.2 billion in 2017 from the \$78.6 billion at present, according to a recent research report.

"Rising disposable incomes, easier access to high-quality healthcare services and greater awareness to personal health and hygiene are driving this growth."

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