

'It is not a cost-heavy model but a partnership one'

BHUPENDRA KUMAR MODI (left), chairman, Spice Global, is best known for challenging the conventional wisdom. Now he and his 31-year-old daughter **DIVYA MODI TONGYA**, executive director of the group's first health care venture in India, Saket City Hospital, plan to focus on a complete health care offering. The father-daughter duo tell **Sushmi Dey** about its health care plans, including drug manufacturing. Edited excerpts:



BHUPENDRA KUMAR MODI
Chairman, Spice Global

DIVYA MODI-TONGYA
Executive director,
Saket City Hospital

What triggered your entry in health care?

B K Modi: Health care is an ever-challenging field. There are new technologies coming everywhere. So, we have decided to do a lot of things in the segment — day care centres, hospitals — and create an environment for doctors, etc, to be able to provide services at people's homes. We are developing a Smart Health city. We already have a 230-bed hospital. Meanwhile, the government has changed the FAR (floor area ratio) laws in this sector. Previously 1.5, it is now 3.75, which allows us to build higher. Initially, we planned a 500-600-bed hospital but will now increase (the capacity).

By when are you likely to complete that?

B K Modi: It should be within two years of getting the maps approved, likely by September. The idea is to provide state-of-the-art technology. A new thing is you have more clinics where you do not have to stay at night. We are going to build many more of those. We plan to invite doctors from all over the world to open their clinics there and provide latest technologies.

Could you elaborate on the model?

B K Modi: We will get into partnerships with specialists as a lot of them do not want to work with hospitals. They want to run their own clinics and they will bring the latest technologies. Delhi is emerging as a global city and requires that level of health care.

Divya Modi: The Saket city hospital (in New Delhi) will be part of it, then there will be a medical office block where we will partner doctors for them to open their clinics, very much like you have in Singapore. Here certain day care procedures can also be done. Then, we will have this residential block as well. So, there will be three parts to the entire project.

Are there plans for expansion outside Delhi?

B K Modi: We have Smart Health City as a company based out of Singapore, so it can build things anywhere. First we are building it in Saket, then we will develop in other parts of India and world as well. We have proposals in Mumbai, Dubai and Singapore. In clinical centres, we are going to invite doctors to join. They will have their own companies in a way and will tie up with us, and have a revenue-sharing model.

Divya Modi: Our focus is on getting a good core group of clinicians and then look at investment in technology and infrastructure. Also, technology will keep advancing and that is why we are growing in a phased manner.

A lot of players are entering with this day care model. How would your venture be different?

B K Modi: We will be a significant player in that segment with two advantages — one, of an adjoining hospital and second, of a residential complex for doctors. The problem with hospitals currently is that they have undermined the importance of a doctor's presence there.

How would you compete in terms of prices, already considered high?

Divya Modi: Since we are offering medical office blocks to international clinicians, they are not going to make it a cost-heavy model for us. They are going to own and manage their clinics. So, from their perspective they have this excellent opportunity for owning a clinic in the centre of the city, along with a full-fledged hospital facility adjoining along with a residential facility. It is not a cost-heavy model, it is a partnership model where they come and have a full health city set-up. Prices will be in line with other players.

Do you plan to replicate this model for expansion in other parts of the country?

B K Modi: It will depend on the requirement of the surrounding area. We have done a full survey with EY and a marketing agency to assess what is the requirement here.

Some players have recently joined hands with international institutions. Will you follow suit?

B K Modi: We are open if somebody wants to bring technology and their name. There are people who are interested in coming to India and they have certain technological advantage. Our focus is to provide the best health care service. For that, whatever is required, we will do.

What are the other ventures you are planning?

B K Modi: We are also starting Smart Living. It is about new technologies that enable one to lead a life where one does not need to go to the hospital. Here, through cellular technology you would make sure that the chemistry of the body is correct and you don't fall sick. Health care is going through a major change as people are increasingly becoming conscious. There are other activities such as manufacturing, pharmaceuticals, mobile healthcare, etc.

Are there plans to enter pharmaceutical manufacturing also?

B K Modi: Yes, it is a new sector for us. We are not interested in conventional technologies. I am a great believer in new technologies. Acquiring an old drug factory would mean old technology. There are a lot of things happening in nutraceuticals and stem cells technology. So, we are looking at these areas. We have done a lot of research on it and work is on.

Divya Modi: The idea is not to be only a corporate hospital that does a large number of surgeries. Long-term strategy is to make people more healthy. So, the technology we are going to bring in — whether it is stem cell technology or nutraceuticals — it is all part of SmartHealth City, where people can come and learn how to live a healthy life.

What are the regulatory challenges?

B K Modi: There are not too many regulatory challenges. Major ones are related to land and getting approvals for drawings, etc. Actually, there are many approvals required. I hope the government creates a single-window clearance system.

What are your expectations from the new government at the Centre?

B K Modi: They should first create a single-window system. I like minimum governance. It all depends on leadership.

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BHUPENDRA KUMAR MODI

DIVYA MODI-TONGYA