Early Warning System

IFC-39444

Max SCH

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Quick Facts

Countries	India
Specific Location	Delhi
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Voting Date	2017-06-22
Borrower	MAX HEALTHCARE INSTITUTE LIMITED
Sectors	Construction, Education and Health
Investment Type(s)	Loan
Investment Amount (USD)	$ 75.00 million
Project Cost (USD)	$ 325.00 million

Project Description

This project funds the purchase of 49% of the Saket City Hospital Private Limited and general capital expansion of Max Healthcare Institute Limited. Affiliated with these medical companies are Max Smart Super Specialty Hospital and Gujarmal Modi Hospital and Research Centre for Medical Sciences. The locations of these companies are very close to each other and the Unit of Devki Devi Foundation and Max Healthcare Institute Limited plan to create a complex across that connects the hospitals with seven specialty centers.

People Affected By This Project

1. Enhanced reach: MHIL, with 2,300 doctors in 14 hospitals across the country, is a critical part of the Indian healthcare infrastructure and establishment. The project will strengthen this institution in its patient outreach, particularly those in under-served markets in the Low Income States and northeastern states (presently about 25% of its in-patients and 28% out-patients are from these areas). As these hospitals expand and add beds and OPD services, there will be a proportionate increase in the free services available to Economically Weaker Section patients.
2. Raising the quality of healthcare nationwide: The proposed project will establish national centers of excellence to include a focus on neuro-sciences, transplants, oncology and cardiology, which are specialties where the standard and provision is not uniform across the country. Investments in critical healthcare infrastructure such as institutions like MHIL is necessary to ensure the population is adequately served.
3. Collaboration with the Government to provide quality healthcare: MHIL is already successfully running two tertiary care centers in Punjab, North India and also contemplating on opportunities to work with the Government to develop appropriate model under which a Government hospital can use MHIL's diagnostic facilities in the lean periods at pre-contracted rates and thus clear their backlogs which will help increase in patient outreach across all segments of the society including those of lower income group.
4. Skill development: As MHIL expands employment of more doctors and nurses would result in skill-training and addition to trained healthcare manpower in the country. MHIL has initiated a dialogue with several establishments to collaborate on training programs for medical administrators, nursing leaders and critical care nursing professionals.

Investment Description

- International Finance Corporation (IFC)

MHIL is a joint venture between Max India Limited (MIL) and Life Healthcare (LH), each party holding 45.95% in the Company. MIL is the listed entity for healthcare assets of the Max group and includes MHIL, Max Bupa (Health Insurance) and Antara (senior living). IFC holds a 3.1% stake in MIL and 7.5% stake in MHIL.

The total Project cost is approximately US$ 325 million. The proposed IFC investment comprises subscription of up to INR 4875 million (US$75 million in Indian rupee equivalent terms) in secured Non-Convertible Debentures (NCDs) of MHIL.

Contact Information

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ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org/