



Back in business

The launch of Neuberg aims to deliver world class services

Slightly over two years ago, serial health entrepreneur G.S.K. Velu sold out his 37 per cent stake in Metropolis Health Services, a company which he helped to establish back in the late 1990s. The deal, which fetched him over ₹900 crore, also had a two-year non-compete clause which expired just two months ago.

But Velu, whose other companies, namely the Trivitron group and a Medical Technology Park near Chennai, both doing quite well, has now worked out a deal that goes even further. He has formed a consortium of five leading pathology laboratories in four different countries that will operate under a common brand name: Neuberg Laboratories. This number would soon increase to nine, with a laboratory in Sri Lanka set to join the group early next month. Interestingly the name Neuberg is the German expression for “new mountain” referring to the regions of Bavaria, Mecklenburg and Palatinate. Also Carl Neuberg is considered the father of modern biochemistry.

The laboratories to join the consortium are: Anand Diagnostics (Bengaluru), Ehrlich Lab (Chennai), Supratech Micropath (Ahmedabad), Global Pathology Laboratories (Durban) and Minerva Labs (Dubai). Interestingly this arrangement is more like a co-branding rather than a merger, because all the member labs will continue to operate independently as well. Thus Anand Diagnostics would be renamed as Neuberg-Anand, Supratech as Neuberg-Supratech and so on.

The top management team of

Neuberg will be drawn from its member laboratories, with Velu as chairman. Besides, there will be Anand K. as CEO, Dr Sujay Prasad (Anand Diagnostics) as medical director and Dr Sandip Shah (Supratech) as executive director. There will also be a technical board comprising the top pathologists drawn mainly from these laboratories.

Direct competition

While the other members of the board are among the leading pathologists of the country, Velu brings to the table an excellent capacity for networking and organisation. In addition, he would contribute “some money” (as he put it at the news conference). His close associates revealed that he would invest approximately ₹400 crore over the next two to three years.

This structure would place Neuberg in direct competition with the three large organised pathology chains in the country, namely, Metropolis, Dr Lal’s Pathlabs and SRL Ltd. All of these offer a combination of routine blood, urine, stool and other tests as well as a range of technologically complex laboratory tests which are not usually conducted at most hospital laboratories. These would include a wide variety of tests based on genomics and proteomics, which have become the industry standard in developed countries. Genomics, for example, is of great help in determining how a cancer patient would respond to a particular medicine and how the disease is progressing. It is based on the study of genes and their pattern of expression in an

individual person.

Neuberg however would have three reference laboratories in the chain to offer the hi-tech diagnostic services as well. However, its closest contest would be against Metropolis Health which has establishments in seven countries including South Africa. Dr Lal’s, on the other hand, is present only in India and Nepal, while SRL is limited only to India.

At the global launch of the new entity in Bengaluru last fortnight, Union minister of state for health and family welfare, Anupriya Patel observed that since the Indian healthcare delivery is growing by leaps and bounds, a global network of this nature would likely serve as a platform to introduce new generation pathology services to the country. It would also help to increase the quality and affordability of healthcare services to the Indian people.

“The aim of the partnership is to develop a new shared services model for the provision of pathology services in the Middle East, Africa including west and South India. Neuberg Diagnostics is built on the vision to provide modern, innovative and sustainable services that deliver world-class lab facilities with the focus on high-end technology and services like Genomics and Proteomics to doctors and patients alike,” said Velu on the occasion.

Also present on the occasion were: Dr Hemantha Beneragama, ministry of health, nutrition and indigenous medicine, Sri Lanka, Dr Awatif Juma al Bahar, medical director of Dubai Health Authority, UAE and Prof Salim S. Abdool Karim, director of CAPRISA, and pro vice-chancellor, University of KwaZulu-Natal in Durban, South Africa.

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