



**Fortis Malar Hospitals**

52, First Main Road, Gandhi Nagar, Adyar,  
Chennai, Tamil Nadu – 600 020

Tel : +91 44 4289 2222

Fax : +91 44 4289 2293

Email : secretarial.malar@malarhospitals.in

Website: www.fortismalar.com

FMHL/SE/ NOV'23

November 24, 2023

BSE Limited  
Department of Corporate Services  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001  
Scrip Code: 523696

**Sub: Press Release under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in relation to the Business Transfer Agreement for the sale of business operations pertaining to Fortis Malar Hospital located at No. 52, 1<sup>st</sup> Main Road, Gandhi Nagar, Adyar, Chennai – 600020.**

Dear Madam / Sir,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), please find enclosed herewith a copy of the press release being issued by Fortis Malar Hospitals Limited (the "**Company**") in relation to enter into a Business Transfer Agreement ("**BTA**") with MGM Healthcare Private Limited (the "**Purchaser**") on November 24, 2023, for the sale of its business operations pertaining to Fortis Malar Hospital located No. 52, 1<sup>st</sup> Main Road, Gandhi Nagar, Adyar, Chennai – 600020 ("**Malar Hospital**").

This is for your information and records.

Thanking You,

Yours Sincerely,

**For Fortis Malar Hospitals Limited**

**Sandeep Singh**  
**Company Secretary**  
**ICSI Membership: F9877**

**Enclosed: a/a**

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**FORTIS MALAR HOSPITALS LIMITED**

**Regd. Office:** Fortis Hospital, Sector 62, Phase – VIII, Mohali – 160062

**Tel:** +91 172 5096001 **Fax:** +91 172 5096002 **CIN:** L85110PB1989PLC045948



## **Fortis Malar Hospitals Limited, Chennai to divest its business operations to MGM Healthcare Private Limited**

**Chennai, November 24, 2023:** Fortis Malar Hospitals Limited (“**Company**”), a renowned healthcare delivery service provider in Chennai, today announced signing of a definitive agreement for the sale of its business operations pertaining to Fortis Malar hospital situated at Gandhi Nagar, Adyar Chennai (“**Malar Hospital**”) to MGM Healthcare Private Limited (“**MGM**”), a prominent healthcare delivery service provider, for a sale consideration of approx. INR 45,50,00,000 (Rupees Forty five crores and fifty lacs) (subject to customary closing adjustments as agreed in the definitive agreement).

Adjunct to this transaction, the OPD and radio diagnostics business operations related to the Malar Hospital (including the land and building) and the adjacent land parcels are also being divested by two wholly owned subsidiaries of Fortis Healthcare Limited (“**Fortis Healthcare**”), namely – Fortis Health Management Limited (“**FHML**”) and Hospitalia Eastern Private Limited (“**HEPL**”) to MGM. Fortis Healthcare owns a 62.7% equity stake in the Company.

The transaction will be an all-cash deal and is expected to be consummated by end of January 2024; subject to certain conditions precedent and closing conditions as stipulated in the definitive agreements including the approvals from shareholders of both the Company and Fortis Healthcare.

The Malar Hospital is approx. a 140 bed facility and has been facing certain legacy issues. Over the past few years, with continuous efforts, several of these issues have been resolved. However, some of the legacy aspects continue to persist which have given rise to certain challenges for the Company and have constrained further investments into the facility. The matter has accentuated the need for the Company to divest its business as a viable and prudent option for its stakeholders.

Additionally, the aforesaid divestment is also a part of Fortis Healthcare’s (*viz.* the largest and majority shareholder of the Company) ongoing portfolio rationalization strategy in order to focus on deepening its presence in select geographic clusters where it has a sizeable presence.



The proposed acquisition is in line with MGM Healthcare’s strategy to further expand its presence in Chennai, in addition to its two quaternary care hospitals with a combined bed capacity of approx. 600 beds at present and another 450 bed greenfield hospital under development.

**Mr. Daljit Singh, Non-Executive Chairman, Fortis Malar Hospitals Limited commented:**

“After a number of deliberations amongst the management and the Board, the proposed divestment of business operations of the Malar Hospital seems to be a practical solution in the interest of all stakeholders. Certain legacy issues have persisted for long and have impacted the performance of the facility as also presenting challenges in clinical hiring and retention. Upon consummating the transaction, the Board will endeavor to distribute the available surplus funds to shareholders as appropriate and in the most optimal manner as per applicable laws, rules and regulations.”

**Dr. Prashanth Rajagopalan, Managing Director, MGM Healthcare Private Limited**

**commented:** “Chennai has a deep emotional connection with Malar Hospital. We are determined to restore and advance Malar to its original glory. As a part of our long-term growth and expansion plans, MGM Healthcare has been investing in both greenfield and existing facilities to enhance care and clinical offerings for a broader patient population. This is a testament to our commitment to expanding our reach and enhancing the wellbeing of the communities we proudly serve. The acquisition of Fortis Malar by MGM is a crucial step in our planned capacity expansion nationwide, allowing us to extend our commitment to providing the best in quality, affordable and personalized healthcare. With this acquisition, we would bring our total bed count in Chennai to approx..800 beds.”

For Fortis Healthcare, FHML and HEPL, Saraf and Partners, Law Offices acted as legal advisors; Shardul Amarchand Mangaldas & Co acted as legal advisors to the Company. Veda Corporate Advisors acted as financial advisors for the said transaction.

For MGM Healthcare Private Limited, JSA Advocates & Solicitors acted as legal advisors for the transaction.

**About Fortis Malar Hospitals Limited**

November 24, 2023



Fortis Malar Hospitals Limited is a subsidiary of Fortis Healthcare and is a well-known multi-specialty hospital in Chennai comprising 140 beds and providing medical care in a number of specialties, including cardiology, neuro sciences, gynecology, orthopedics, gastroenterology, nephrology and internal medicine.

### **About Fortis Healthcare Limited**

Fortis Healthcare Limited is a leading integrated healthcare delivery service provider in India. The healthcare verticals of the company primarily comprise hospitals, diagnostics and day care specialty facilities. Currently, the company operates 27 healthcare facilities (including O&M facilities). The Company's network comprises approximately 4,500 operational beds.

### **About MGM Healthcare Private Limited**

MGM Healthcare Private Limited is one of the fastest growing quaternary care providers in South India, providing advanced healthcare services. It operates 2 quaternary care hospitals with a combined bed capacity of 600 beds and one more greenfield hospital under development. The MGM Healthcare Group is one of the largest operators of Medical Colleges in the Pondicherry and the Tamil Nadu region. It operates 2 medical colleges, 4 allied Health and Nursing colleges, 6 schools with 10,000 plus students.

### **DISCLAIMER**

*This press release may contain forward-looking statements based on the currently held beliefs and assumptions of the management of the Company, which are expressed in good faith and, in their opinion, reasonable. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance, or achievements of the Company results, to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements. Given these risks, uncertainties and other factors, recipients of this press release are cautioned not to place undue reliance on these forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent development, information or events, or otherwise. The information contained herein is subject to change without notice and past performance is not indicative of future results. The Company may alter, modify or otherwise change in any manner the content of this press release, without obligation to notify any person of such revision or changes.*

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### ***For further details please contact:***

**Anurag Kalra**

Investor Relations

+91 9810109253

Fortis Healthcare Limited

**Ajey Maharaj**

Corporate Communication

+91 9871798573

Fortis Healthcare Limited

**Aarathi Rajendran**

Public Relations

+91 9952052429

MGM Healthcare Private Limited