

Max Healthcare emerges as the second-largest healthcare chain by revenue in India

01 June 2020 | News

Synergies with Radiant Life Care to result in stronger Operational & Financial performance



Max Healthcare Institute Limited has announced that consequent to the receipt of order of the National Company Law Tribunal (NCLT) sanctioning the Composite Scheme of Amalgamation and Arrangement (Scheme) involving demerger of allied health and associated activities of Max India Limited (Max India) into Advaita Allied Health Services Limited, an amalgamation of the residual Max India (post demerger) and demerger of healthcare business of Radiant Life Care Private Limited (Radiant) into Max Healthcare, the amalgamation and demergers as per the sanctioned scheme have been successfully completed.

Abhay Soi will be the Chairman and Managing Director of MHIL.

Max India shall stand dissolved effective today without being wound up and subsequently the equity shares of the MHIL will get listed on both Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) in due course after completing procedures according to the related regulations. The record date for allotting equity shares of Max Healthcare to Max India shareholders as per the approved share exchange ratio has been set as June 15, 2020.

Max announce this as a significant step in the Scheme entailing demerger of Radiant's healthcare business into MHIL, which will result in Abhay Soi and Kohlberg Kravis Roberts & Co. L.P (KKR) acquiring a significant majority stake in Max Healthcare and ultimately listing of the combined entity at BSE and NSE.

Commenting on this development, Abhay Soi, Chairman, MHIL said, “We are very excited about our future as a combined entity which will augment our size, scale and capabilities to provide best-in-class healthcare services in the country. MHIL will emerge as the second-largest hospital chain in India with strongly established brand equity and centres of excellence for high-end quaternary care with significant part of its capacities in key metros, particularly Delhi-NCR and Mumbai. Our operating culture rests on the bedrock of medical and service excellence, high-quality patient experience, ethical practices, and adopting cutting-edge technology. I am confident that we will continue to incrementally contribute to the development of quality healthcare services and meet the growing medical needs of our country.”

“Going forward, we plan to expand our operations by investing in growth and leveraging an asset light operating approach. Since the announcement of this transaction, MHIL over the last few quarters has implemented a robust business improvement plan, the results of which are visible in the financial performance of MHIL. I believe that several synergies will play out over the next 2 to 3 years, which will enable us to realize significant benefits from our coming together”, he added.

MHIL will emerge as the second largest hospital network across India in terms of revenues and one of the top three hospital chains in the country in terms of bed capacity. MHIL will operate over 3,500 beds across India, including tertiary and quaternary care facilities, offering high-end critical and super specialty care, supported by strong local brands such as BLK Hospital, Max Hospital-Saket, Max Smart Hospital-Saket, Max Hospital – Patparganj, Max-Hospital-Shalimar Bagh, Nanavati Hospital, etc. MHIL will further build on its strong presence in the metros through brownfield expansion of bed capacity, enhancing the depth and width of its medical programs and enhancing its leadership position in these high-end markets.

Radiant, promoted and founded by Abhay Soi and backed by KKR, had acquired a 49.7% stake in Max Healthcare in June 2019 for a consideration of around INR 2,136 crore.

The transaction is being completed through the following steps as per the Scheme:

- Following the demerger, Radiant’s healthcare assets merged into Max Healthcare with simultaneous merger of residual Max India into Max Healthcare
- As a result of this merger, shareholders of Max India will receive 99 equity shares of the Merged Entity (MHIL) of face value of INR 10 each for every 100 equity shares of face value of INR 2 each that they hold in Max India as on the relevant record date
- Shareholders of Radiant will receive 9,074 equity shares of face value of INR 10 each in Max Healthcare for every 10 equity shares of face value of INR 10 each held in Radiant as on the relevant record date
- Post-merger, Max India stands dissolved and MHIL, which is the newly merged entity comprising of combined healthcare assets of Radiant and Max Healthcare, will get listed on both the BSE and the NSE after completing necessary regulatory requirements
- Abhay Soi shall be the promoter of the merged entity (MHIL) and KKR shall be the co-promoter