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Fortis Healthcare to divest Fortis Malar Hospital, Chennai to MGM Healthcare for Rs 128 Cr

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Fortis to focus on deepening its presence in select geographic clusters



Fortis Healthcare has announced signing of definitive agreements by its certain subsidiaries for sale of the business operations along with the land and building assets pertaining to Fortis Malar Hospital situated at Gandhi Nagar, Adyar Chennai, to MGM Healthcare, a prominent healthcare delivery service provider, for a sale consideration of approx. Rs 1,28,00,25,000**.**

The transaction comprises the divestment of: (1) the business operations pertaining to Fortis Malar Hospital residing in the listed subsidiary of the Company - Fortis Malar Hospitals in which Fortis Healthcare owns a 62.7% equity stake; (2) The OPD and radiology business operations related to the Fortis Malar Hospital (including the land and building on which Fortis Malar Hospital is situated) and the land parcel adjacent thereto, all of which are residing in Fortis Health Management; and (3) An adjacent land parcel currently used as a parking premise, residing in Hospitalia Eastern. The business and assets specified in (2) and (3) reside in two wholly owned subsidiaries of Fortis Healthcare namely –Fortis Health Management and Hospitalia Eastern.

The divestment is a part of Fortis' ongoing portfolio rationalisation strategy in order to focus on deepening its presence in select geographic clusters where it has a sizeable presence. It follows from the divestment of Fortis Healthcare's business operations in its Vadapalani facility in Chennai in July 2023.

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.