



Fortis Malar Hospitals
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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: Intimation under Regulation 30 of the 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, 1st 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**”), this is to inform you that Fortis Malar Hospitals Limited (“**the Company**”) has entered 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, 1st Main Road, Gandhi Nagar, Adyar, Chennai – 600020 (“**Malar Hospital**”), as a going concern, on a slump sale basis, to the Purchaser, for a lump sum consideration of approximately INR 45,50,00,000 (*as particularly set out in Annexure A below*) and on such terms and conditions, as contained in the BTA (“**Transaction**”).

The consummation of the Transaction is subject to certain conditions precedent and closing conditions, as agreed under the terms of the BTA. Specifically, the consummation of the Transaction is subject to receipt of approval of the shareholders of: (i) the Company (by way of special resolution and approval of majority of public shareholders) and (ii) the Company’s holding company – Fortis Healthcare Limited (by way of special resolution).

The details as required under Regulation 30 of the Listing Regulations read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023 is enclosed as **Annexure-A**.

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

FORTIS MALAR HOSPITALS LIMITED

Regd. Office: Fortis Hospital, Sector 62, Phase – VIII, Mohali – 160062
Tel: +91 172 5096001 **Fax:** +91 172 5096002 **CIN:** L85110PB1989PLC045948

Annexure A
Disclosures as required under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

S. No.	Particulars	Description
1	The amount and percentage of the turnover or revenue or income and net worth contributed by such unit or division or undertaking of the listed entity during the last financial year.	Revenue from Operations: INR 85.95 crores Percentage of Revenue from Operations: 100% Net worth: INR 61.96 crores ¹ Percentage of Net worth: 100%
2	Date on which the agreement for sale has been entered into.	November 24, 2023
3	The expected date of completion of sale/disposal.	The consummation of the Transaction is subject to certain conditions precedent and closing conditions, as agreed under the terms of the BTA. The Transaction is expected to be consummated by January 31, 2024.
4	Consideration received from such sale/disposal.	Approximately INR 45,50,00,000 (subject to customary closing adjustments as agreed in the BTA)
5	Brief details of buyer and whether the buyer belong to the promoter/ promoter group/group companies. If yes, details thereof.	The Purchaser - MGM Healthcare Private Limited (MHPL), is a private limited company providing healthcare services. MHPL currently operates 2 hospitals at Chennai with a combined bed capacity of 600 beds. The Purchaser/ MHPL does not belong to the promoter/ promoter group of the Company.
6	Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arm’s length”.	No

¹ The reported number for the net worth of the Company is as per its last audited standalone financials. The reported number is subject to certain exclusions for the assets/ liabilities of the Company that are not covered within the scope of the BTA.

7	Whether the sale, lease or disposal of the undertaking is outside Scheme of Arrangement? If yes, details of the same including compliance with regulation 37A of LODR Regulations.	Yes. The Company will comply with the Regulation 37A of the Listing Regulations and shall be obtaining the approval of its shareholders by way of a special resolution and the approval of the majority of public shareholders of the Company, as required under Regulation 37A of the Listing Regulations.
8	Additionally, in case of a slump sale, indicative disclosures provided for amalgamation/merger, shall be disclosed by the listed entity with respect to such slump sale.	The relevant details have been provided above. Additionally, the rationale for the Transaction is provided under Annexure A-1 .

ANNEXURE A-1 **Rationale for the Transaction**

The Malar Hospital is approx. a 140 bed facility. The Malar Hospital 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 itself business as a viable and prudent option for its stakeholders.

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

Accordingly, the Company has executed the BTA to divest its business operations pertaining to the Malar Hospital to MGM Healthcare Private Limited.

MGM Healthcare Private Limited was selected as the acquirer for the Transaction pursuant to a bidding process. The Transaction will be undertaken in accordance with the BTA.

Adjunct with the 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 to MGM Healthcare Private Limited by two wholly owned subsidiaries of Fortis Healthcare, namely – Fortis Health Management Limited and Hospitalia Eastern Private Limited to MGM.

Post the divestment pursuant to the Transaction, the Company will cease to have any business operations. The management/ Board of the Company will thereafter endeavour to distribute the available surplus funds of the Company to its shareholders in the most optimal and efficient manner and in compliance with all applicable laws and regulations.