

Fortis Healthcare divests Chennai hospital biz operations to Kauvery Group for Rs 152 Cr

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Focusing on improving overall profitability and margins in the segment



Fortis Healthcare has announced the signing of definitive agreements for sale of its hospital business operations at Vadapalani, Chennai to Sri Kauvery Medical Care (SKMC / Kauvery Group of Hospitals), for a sale consideration of Rs 152 crore.

The transaction will be an all-cash deal and is estimated to be consummated by end of July 2023, subject to certain conditions as stipulated in the definitive agreements.

The facility, which is on a leased premises, was commissioned in October 2020 and is located on the arterial Arcot Road. It currently has 110 operational beds with a potential to scale up-to approx. 200 beds.

The divestment is a part of the Fortis' ongoing portfolio rationalization strategy in order to focus on deepening its presence in select geographic clusters where it has a sizeable presence.

The acquisition of Vadapalani facility is in line with Kauvery's strategy to further expand its presence in Chennai, in addition to its existing facilities of 500+ beds at Alwarpet & Radial Road.