# FORTIS MALAR HOSPITALS LIMITED

**CIN:** L85110PB1989PLC045948
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Recommendation of the Committee of Independent Directors (**"IDC"**) on the Open Offer made by Northern TK Venture Pte. Ltd. (**"Acquirer"**) along with IHH Healthcare Berhard (**"PAC 1"**) and Parkway Pantai Limited (**"PAC 2"**) to the Shareholders of Fortis Malar Hospitals Limited (the **"Target Company"** or **"TC"**) under Regulation 26(7) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (**"SEBI (SAST) Regulations"**)

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| **1.** | **Date** | October 15, 2025 |
| **2.** | **Name of the Target Company (TC)** | Fortis Malar Hospitals Limited |
| **3.** | **Details of the Offer pertaining to TC** | Acquirer and PACs (defined below) are making an open offer to the equity shareholders of the Target Company to acquire up to 4,894,308 (Four Million Eight Hundred and Ninety Four Thousand Three Hundred and Eight) fully paid up equity shares of face value of INR 10 (Rupees Ten only) each (**"Equity Shares"**), representing 26.11% (Twenty Six point One One percent) of the total voting equity share capital of the Target Company on a fully diluted basis pursuant to and in compliance with requirements of the SEBI (SAST) Regulations.<br>Public Announcement dated July 13, 2018 (the **"PA"**), Detailed Public Statement dated November 19, 2018 (the **"DPS"**), Draft Letter of Offer dated November 29, 2018 (the **"DLoF"**) and Letter of Offer dated October 8, 2025 (the **"LoF"**) have been issued by HSBC Securities and Capital Markets (India) Private Limited, HDFC Bank Limited, Citigroup Global Markets India Private Limited, and Deutsche Equities India Private Limited, on behalf of the Acquirer and PACs.<br>By way of brief background, it may be noted by the shareholders of the Target Company that the open offer was initiated vide the PA, pursuant to and upon the execution of a share subscription agreement between the parent of the Target Company (i.e., Fortis Healthcare Limited (**"FHL"**)) and the Acquirer. The open offer price offered by the Acquirer and PACs to the shareholders of the Target Company was INR 60.10 (Indian Rupees Sixty and Ten Paisa only) per Equity Share. Thereafter, the subscription transaction received requisite regulatory approvals, including from the Competition Commission of India, the stock exchanges, as well as the shareholders of FHL. Pursuant to the aforesaid approvals, the underlying share subscription transaction was consummated between FHL and the Acquirer on November 13, 2018.<br>Subsequently, and after the subscription transaction between FHL and Acquirer had already been consummated, an ex parte order directing that status quo be maintained with respect to the sale of controlling stake in FHL (and indirectly of the Target Company) came to be passed by the Hon'ble Supreme Court of India on December 14, 2018 (**"Status Quo Order"**). In compliance with the Status Quo Order, the open offer process for FHL and the Target Company was put on hold.<br>Basis legal advice, it is understood that pursuant to the Hon'ble Supreme Court of India's final judgment dated September 22, 2022 (**"2022 Judgment"**), the Status Quo Order, being an interim order, ceases to exist and stands merged with the 2022 Judgment. Accordingly, given that the 2022 Judgment does not continue / extend the operation of the restraint imposed vide the Status Quo Order, as on date, there is no legal restraint on the open offer process.<br>In the above backdrop, we understand basis communications and LoF issued by the Acquirer and PACs, that the open offer is now being recommenced in accordance with the directions and guidance received from Securities and Exchange Board of India ("SEBI") vide its letter dated October 01, 2025 issued to HSBC Securities and Capital Markets (India) Private Limited (the **"SEBI Letter"**).<br>It should also be noted that the Target Company sold its business operations pertaining to the Malar hospital, as a going concern, on a slump sale basis, in February 2024, pursuant to receipt of requisite corporate approvals as per applicable laws. Post the aforesaid divestment, the Target Company ceased to have any business operations, and the proceeds of the sale consideration were therefore distributed among the shareholders of the Target Company, in compliance with the applicable laws. Specifically, on April 12, 2024, the board of directors of the Target Company declared an interim dividend of INR 40 (Indian Rupees Forty only) per equity share and the shareholders of the Target Company, on July 31, 2024, approved the final dividend of INR 2.50 (Indian Rupees Two and Fifty Paisa only) per equity share. Pursuant to the declaration and payment of the aforesaid interim dividend and final dividend, the open offer price was revised from the original open offer price of INR 60.10 (Indian Rupees Sixty and Ten Paisa only) per Equity Share to INR 17.60 (Indian Rupees Seventeen and Sixty Paisa only), in accordance with the requirements of the SEBI (SAST) Regulations.<br>As of the present date, the management of the Target Company has no visibility of commencing any new business operations in the future. In this regard, the Target Company's management and board of directors, in consultation with its legal advisors/ merchant bankers, are evaluating various corporate restructuring options for the future possible course of actions for the Target Company.<br>**Open Offer Price:** In accordance with the directions and guidance received from SEBI under the SEBI Letter, and as per the Revised LoF, we understand that the open offer price shall be –<br>(i) INR 17.60 (Indian Rupees Seventeen and Sixty Paisa only) per Equity Share plus interest amount of INR 18.36 (Indian Rupees Eighteen and Thirty Six Paisa only) (**"Applicable Interest"**) calculated at the rate of 10% (Ten Percent) per annum on INR 58 (Indian Rupees Fifty Eight only) – i.e., open offer price as per the PA, payable for the period from September 22, 2022 until November 19, 2025, for those shareholders of the Target Company who have been holding Equity Shares since December 24, 2018 (i.e., identified date under the DLoF) (**"Original Shareholders"**). Therefore, the total consideration payable by Acquirer and PACs to Original Shareholders who tender their Equity Shares as part of the open offer process shall be INR 35.96 (Indian Rupees Thirty Five and Ninety Six Paisa only) per Equity Share; and<br>(ii) INR 17.60 (Indian Rupees Seventeen and Sixty Paisa only) per Equity Share for shareholders of the Target Company other than the Original Shareholders, i.e., shareholders of the Target Company who have acquired Equity Shares post December 24, 2018 (i.e., identified date under the DLoF).<br>The open offer price (plus the Applicable Interest) shall be payable in cash in accordance with other terms and conditions of SEBI (SAST) Regulations. |
| **4.** | **Name(s) of the acquirer and PAC with the acquirer** | 1) Northern TK Venture Pte. Ltd. (Acquirer)<br>2) IHH Healthcare Berhard (PAC 1)<br>3) Parkway Pantai Limited (PAC 2) |
| **5.** | **Name of the Manager to the offer** | 1) HSBC Securities and Capital Markets (India) Private Limited<br>2) HDFC Bank Limited<br>3) Citigroup Global Markets India Private Limited<br>4) Deutsche Equities India Private Limited |
| **6.** | **Members of the Committee of Independent Directors (Please indicate the chairperson of the Committee separately)** | 1) Ms. Suvalaxmi Chakraborty: Chairperson<br>2) Ms. Shailaja Chandra: Member |
| **7.** | **IDC Member's relationship with the TC (Director, Equity shares owned, any other contract / relationship), if any** | IDC members are independent directors on the board of the Target Company.<br>None of the IDC members hold any equity shares or securities of the Target Company. None of the IDC members have any contract/relationship with the Target Company, other than their appointment as independent directors on the board of the Target Company. |
| **8.** | **Trading in the Equity shares/other securities of the TC by IDC Members** | None of the IDC members have traded in the equity shares or securities of Target Company, (i) during the 12-month period preceding the date of the PA; and (ii) during the period from the date of the PA and till the date of this recommendation. |
| **9.** | **IDC Member's relationship with the acquirer (Director, Equity shares owned, any other contract / relationship), if any** | None of the IDC members:<br>a) are directors of the Acquirer or PACs,<br>b) hold any equity shares or other securities of the Acquirer or the PACs, and<br>c) have any contract / relationship with the Acquirer or with the PACs. |
| **10.** | **Trading in the Equity shares/other securities of the acquirer by IDC Members** | None of the IDC members have traded in the equity shares or securities of the Acquirer or PACs, (i) during the 12-month period preceding the date of the PA; and (ii) during the period from the date of the PA and till the date of this recommendation. |
| **11.** | **Recommendation on the Open offer, as to whether the offer is fair and reasonable** | IDC has perused the PA, DPS, DLoF and LoF published on behalf of the Acquirer and PACs.<br>Morgan Stanley India Company Private Limited, has provided external advice dated October 15, 2025 to the IDC that the open offer price is in accordance with the provisions of the SEBI (SAST) Regulations and the directions of SEBI.<br>Saraf and Partners Law Offices, a reputed law firm, has provided a legal opinion dated October 15, 2025 to the IDC stating that the open offer price is in accordance with the provisions of the SEBI (SAST) Regulations and the directions of SEBI.<br>The IDC has also taken into consideration the following:<br>a) The open offer was initially made in 2018 and has been stalled since;<br>b) The business operations of Malar hospital were divested in February 2024;<br>c) An interim dividend of INR 40/- (Indian Rupees Forty only) per equity share was declared to the shareholders of the Target Company on April 12, 2024, pursuant to the divestment of business operations of Malar hospital;<br>d) A final dividend of INR 2.50/- (Indian Rupees Two and Fifty Paise only) per equity share for financial year 2023-24 was declared to the shareholders of the Target Company on July 31, 2024; and<br>e) The original open offer price was reduced from INR 60.10 (Indian Rupees Sixty and Ten Paisa only) per Equity Share to INR 17.60 (Indian Rupees Seventeen and Sixty Paisa only), pursuant to declaration of interim dividend and final dividend by the Target Company, in accordance with the requirements of the SEBI (SAST) Regulations.<br>Basis review of the LoF, the IDC notes that SEBI has also awarded the Applicable Interest on the open offer price to the Original Shareholders on account of the delay in the open offer process, in accordance with the provisions of the SEBI (SAST) Regulations.<br>IDC understands that SEBI has factored in all these aspects concerning the open offer, and thereafter, in exercise of its regulatory powers under the SEBI (SAST) Regulations, has determined the open offer price and awarded Applicable Interest vide the SEBI Letter.<br>Based on perusal of the LoF, the IDC understands that the open offer price is (i) INR 17.60 (Indian Rupees Seventeen and Sixty Paisa only) per Equity Share plus interest amount of INR 18.36 (Indian Rupees Eighteen and Thirty Six Paisa only) calculated at the rate of 10% (Ten Percent) per annum on INR 58 (Indian Rupees Fifty Eight only) – i.e., open offer price as per the PA, payable for the period from September 22, 2022 until November 19, 2025, for those shareholders of the Target Company who have been holding Equity Shares since December 24, 2018 (i.e., identified date under the DLoF); and (ii) INR 17.60 (Indian Rupees Seventeen and Sixty Paisa only) per Equity Shares for shareholders of the Target Company other than the Original Shareholders, i.e., shareholders of the Target Company who have acquired Equity Shares post December 24, 2018 (i.e., identified date under the DLoF), Based on the above and in light of the advice received, the IDC is of the opinion that the aforesaid open offer price is in compliance with the requirements of the SEBI (SAST) Regulations and in accordance with the directions of SEBI, for both the Original Shareholders as well as shareholders other than the Original Shareholders, and to that extent, from a regulatory and legal perspective, is fair and reasonable.<br>The IDC would like to additionally point out that post the aforesaid divestment of the business operations of Malar hospital, the Target Company ceases to have any business operations. As of the present date, the management of the Target Company has no visibility of commencing any new business operations in the future. In this regard, the Target Company's management and board of directors, in consultation with its legal advisors/ merchant bankers, are evaluating various corporate restructuring options for the future possible course of actions for the Target Company.<br>IDC would like to highlight that the current market price of the Equity Shares of the Target Company is higher than the open offer price.<br>The IDC members suggest that the shareholders of the Target Company should independently evaluate the open offer and take an informed decision in respect of the open offer taking into account all the factors and considerations, mentioned above. |
| **12.** | **Summary of reasons for recommendation (IDC may also invite attention to any other place, e.g. company's website, where its detailed recommendations along with written advice of the independent adviser, if any can be seen by the shareholder)** | IDC has perused the PA, DPS, DLoF and LoF published on behalf of the Acquirer and PACs, the advice dated October 15, 2025 provided by Morgan Stanley India Company Private Limited and the legal opinion dated October 15, 2025 provided by Saraf and Partners.<br>The IDC has also taken into consideration the following for making the recommendation:<br>a) The open offer was initially made in 2018 and has been stalled since;<br>b) The business operations of Malar hospital were divested in February 2024;<br>c) An interim dividend of INR 40/- (Indian Rupees Forty only) per equity share was declared to the shareholders of the Target Company on April 12, 2024, pursuant to the divestment of business operations of Malar hospital;<br>d) A final dividend of INR 2.50/- (Indian Rupees Two and Fifty Paise only) per equity share for financial year 2023-24 was declared to the shareholders of the Target Company on July 31, 2024; and<br>e) The original open offer price was reduced from INR 60.10 (Indian Rupees Sixty and Ten Paisa only) per Equity Share to INR 17.60 (Indian Rupees Seventeen and Sixty Paisa only), pursuant to declaration of interim dividend and final dividend by the Target Company, in accordance with the requirements of the SEBI (SAST) Regulations.<br>Basis review of the LoF, the IDC notes that SEBI has also awarded the Applicable Interest on the open offer price to the Original Shareholders on account of the delay in the open offer process, in accordance with the provisions of the SEBI (SAST) Regulations.<br>IDC understands that SEBI has factored in all these aspects concerning the open offer, and thereafter, in exercise of its regulatory powers under the SEBI (SAST) Regulations, has determined the open offer price and awarded Applicable Interest vide the SEBI Letter.<br>Based on the review of the aforesaid information/documents, the IDC is of opinion that the offer price offered by the Acquirer is in line with the SEBI (SAST) Regulations and to that extent, appears to be fair and reasonable.<br>The IDC would like to additionally point out that post the aforesaid divestment of the business operations of Malar hospital, the Target Company ceases to have any business operations. As of the present date, the management of the Target Company has no visibility of commencing any new business operations in the future. In this regard, the Target Company's management and board of directors, in consultation with its legal advisors/ merchant bankers, are evaluating various corporate restructuring options for the future possible course of actions for the Target Company.<br>IDC would like to highlight that the current market price of the Equity Shares of the Target Company is higher than the open offer price.<br>The IDC members suggest that the shareholders of the Target Company should independently evaluate the open offer and take an informed decision in respect of the open offer taking into account all the factors and considerations, mentioned above.<br>This statement of recommendation will be available on the website of the Target Company at www.fortismalarhospital.com. |
| **13.** | **Disclosure of the Voting Pattern** | The recommendations were unanimously approved by the members of IDC. |
| **14.** | **Details of Independent Advisors, if any** | 1) Morgan Stanley India Company Private Limited<br>2) Saraf and Partners Law Offices |
| **15.** | **Any other matter(s) to be highlighted** | None |

To the best of our knowledge and belief, after making proper enquiry, the information contained in or accompanying this statement is, in all material respect, true and correct and not misleading, whether by omission of any information or otherwise, and includes all the information required to be disclosed by the TC under the Takeover Code.

For and on behalf of the Committee of Independent Directors of Fortis Malar Hospitals Limited

**Chairperson - Committee of Independent Directors**
**Name : Suvalaxmi Chakraborty**
**DIN: 00106054**

**Date: October 15, 2025**