

# Healthcare biggies eye SevenHills

Malaysia's IHH, Apollo, Fortis Among Cos In Fray For Chain Valued At Over ₹2K Cr

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**Mumbai:** Well-known foreign and Indian names are eyeing to acquire SevenHills Healthcare after founder Dr Jitendra Das Maganti and private equity investor JP Morgan mandated Goldman Sachs to find buyers for the over three-decade-old multi-specialty hospital chain.

Malaysia's IHH Healthcare, Asia's largest hospital operator by stock market value; Apollo Hospitals Enterprise, India's biggest hospital chain; Fortis Healthcare; noted cardiac surgeon Naresh Trehan-founded Medanta; and Radiant Life Care, which manages the Na-

## HIT BY DEBT BURDEN

> Founded in 1982, SevenHills Healthcare owns one hospital in Mumbai and another in Visakhapatnam

> Spread over 17 acres, the 1,500-bed hospital in suburban Mumbai is the



country's biggest private hospital in a single location

> SevenHills, founded by Dr Jitendra Das Maganti and with JP Morgan as an investor, has a debt of over Rs 900 crore, primarily because of the Mumbai project

navati hospital in Mumbai, are among the potential suitors for the 2,000-bed chain, valued at over Rs 2,000 crore.

Founded in 1982, SevenHills Healthcare owns two hospitals in the country—one in Visakhapatnam and the other in Mumbai. The 1,500-bed Mumbai hospital, which

hit headlines when actress Aishwarya Rai delivered her baby girl there, is the country's biggest private hospital in a single location spread over 17 acres in the western suburb of Andheri.

Talks are currently at preliminary stage, said a source in the know of things.

The possible transaction will mark the biggest merger and acquisition (M&A) deal in the country's hospital services space after Fortis bought Wockhardt's 10 hospitals for Rs 909 crore in 2009.

While an email sent to SevenHills didn't elicit any response till the time of going to the press, Radiant, Apollo and Fortis said they do not comment on M&A speculation. An IHH spokesperson said, "The company is always looking at various value accretive opportunities to add to its portfolio. However, it is not appropriate for us to comment on specific transactions." Medanta couldn't be reached for comments.

Shareholders have decided to exit from SevenHills Healthcare with the chain reeling under huge debt for the past two years.

The company's debt ballooned to over Rs 900 crore primarily because of its ambitious Mumbai project and the subsequent delay caused by a dispute with the municipal corporation.

Last year, SevenHills Healthcare lenders restructured its loans after Maganti and JP Morgan pumped in more money into the firm. JP Morgan, through its Asian infrastructure fund, owns 35% stake in SevenHills Healthcare and has invested a total of Rs 500 crore at different stages.