



CHANDAN HEALTHCARE LIMITED

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STATEMENT TO SHAREHOLDERS

Divestment of Company's Entire Stake in Chandan Pharmacy Limited to Chandan Hospital Limited

The Board of Directors of Chandan Healthcare Limited at its meeting held on August 6, 2026, approved the divestment of the Company's entire 53.56% shareholding (1,72,992 equity shares of Rs. 10/- each) in Chandan Pharmacy Limited to Chandan Hospital Limited, a group company, for a consideration of Rs. 16,77,10,554.24/- proportionate to total valuation of Rs 31,31,36,168/- based on an independent valuation report dated August 3, 2026 issued by Mr. Gaurang Gaurav, Registered Valuer. Upon completion, the Company's shareholding in CPL will reduce from 53.56% to Nil, and CPL will cease to be a subsidiary of the Company.

The Board believes this transaction is a considered, value-accretive step for the Company and its shareholders, and sets out below the rationale and the benefits it is expected to deliver.

1. Strategic Rationale

The decision follows a comprehensive review of the Company's business mix and long-term capital allocation priorities. Three factors underpin the Board's decision:

- **Sharper Focus on the Core, Higher-Margin Diagnostics Business:** Divesting the pharmacy business allows management bandwidth and capital to be concentrated on diagnostics — a segment that consistently delivers materially higher EBITDA margins and offers a longer runway for profitable growth.
- **A Cleaner Read on the Diagnostics Business for Investors:** With pharmacy deconsolidated, the standalone financials of Chandan Healthcare Limited will more accurately reflect the scale, growth trajectory and profitability of its diagnostics operations — the segment growing at a meaningfully faster rate than pharmacy — improving the transparency and comparability of the Company's reported performance.
- **Exiting a Low-Margin, B2B-Heavy Revenue Mix:** Over 70% of CPL's revenue is derived from low-margin B2B supply to Chandan Hospital Limited, with limited B2C contribution. This mix dilutes consolidated margins without a commensurate contribution to shareholder value; its exit is expected to be margin-accretive at the consolidated level going forward.

2. Benefits to Shareholders

- **Improved Margin Profile:** With the lower-margin pharmacy business no longer consolidated, the Company's reported EBITDA margins and return ratios are expected to reflect the stronger economics of the diagnostics business more clearly.
- **Value Unlocking at Fair Valuation:** The transaction is being executed at a valuation determined by an independent Registered Valuer, ensuring the Subsidiary's value is realised on an arm's-length, transparent basis rather than remaining embedded within a diversified structure.
- **Strengthened Balance Sheet and Capital for Growth:** Proceeds from the transaction bolster the Company's balance sheet and provide additional capital to fund expansion of the higher-return diagnostics network, including new centre roll-outs and capacity additions.



- **Redeployment of Proceeds into Higher-EBITDA Assets:** The consideration received from the sale is proposed to be utilised to fund the development of new diagnostic centres. As diagnostics generates materially higher EBITDA margins than the pharmacy business being divested, this redeployment of capital is expected to be accretive to the Company's consolidated profitability going forward.
- **Simplified, More Investable Structure:** A focused diagnostics-led entity is easier for investors and analysts to benchmark against listed diagnostics peers, which may support more efficient price discovery and a re-rating over time as the market values the business on its true growth and margin profile.

3. Key Transaction Terms

Buyer	Chandan Hospital Limited (a group company)
Shares Divested	1,72,992 equity shares of Rs. 10/- each (53.56% of CPL's paid-up equity capital)
Consideration	Rs. 31,31,36,168
Basis of Valuation	Independent valuation report dated August 3, 2026 by Mr. Gaurang Gaurav, Registered Valuer
Resulting Holding	Nil (0%) — CPL ceases to be a subsidiary of the Company
Use of Proceeds	Development of new diagnostic centres, to strengthen the Company's higher-EBITDA core business
Board Approval Date	August 6, 2026

4. Outlook

Post-completion, Chandan Healthcare Limited will operate as a focused diagnostics-led entity within the broader Chandan Group, with the pharmacy business continuing under the Group umbrella through Chandan Hospital Limited. The consideration received will be channelled into developing new diagnostic centres, an area expected to generate materially higher EBITDA than the pharmacy business that has been divested, thereby supporting stronger consolidated profitability over time. The Board and management remain committed to disciplined capital allocation and to building long-term, sustainable value for all shareholders.

FINANCIAL DETAILS FOR FY 2024-25 & 2025-26

Particulars	Chandan Healthcare Pvt. Ltd.		Chandan Pharmacy Ltd	
	2024-25	2025-26	2024-25	2025-26
	<i>Fig. in Lacs</i>		<i>Fig. in Lacs</i>	
TOTAL SALES	13,121.30	16,077.24	10,212.53	12,064.63
EBITDA	3,815.70	5,055.64	538.57	636.44
EBITDA % TO REVENUE	29.08	31.45	5.27	5.28



NET PROFIT	2,077.80	2,534.15	290.41	322.28
NET PROFIT % TO REVENUE	15.84	15.76	2.84	2.67
WORKING CAPITAL (Receivables + cl. Stock)	4,843.01	6,044.68	2,976.23	5,922.94

This statement is issued for the general information of shareholders and is not, and should not be construed as, investment advice. Shareholders are advised to refer to the Company's formal disclosures filed with the stock exchange for complete details of the transaction.

By Order of the Board
For Chandan Healthcare Limited

Rajeev Kumar Nain
Chief Financial Officer & Company Secretary

