

**Fortis Healthcare Limited**

Tower-A, Unitech Business Park, Block-F,
South City 1, Sector – 41, Gurgaon,
Haryana – 122 001 (India)

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FHL/SEC/STEX/RR/2018-19

April 24, 2018

**The National Stock Exchange of India Ltd.
Corporate Communications Department
“Exchange Plaza”, 5th Floor, Bandra-Kurla
Complex, Bandra (East), Mumbai - 400051
Scrip Symbol: FORTIS**

**BSE Limited
Corporate Services Department,
Phiroze Jeejeebhoy Towers Dalal
Street, Mumbai – 400 001
Scrip Code:532843**

**Sub: Update under Regulation 30 of SEBI (Listing Obligations and disclosure Requirements)
Regulations, 2015**

Dear Sir(s),

This is in continuation to our letter Ref. No. FHL/SEC/STEX/RR/2018-19 dated April 19, 2018 whereby, it was informed that the Board of Directors of Fortis Healthcare Limited (“**the Company**”) has received an unsolicited non-binding expression of interest from Radiant Life Care Private Limited (“**Radiant**”) with a proposal for making investment and/or re-structuring the Company subject to certain conditions as mentioned in the offer letter.

It is hereby informed that the Company today i.e. April 24, 2018, has received a Revised Offer, as attached herewith, from Radiant.

We will keep the stock exchanges updated/informed in terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This is for your information and records please. We assure you of our full cooperation at all times.

You are kindly requested to take the same on record.

Thanking you,
Yours faithfully

For **Fortis Healthcare Limited**

**Rahul Ranjan
Company Secretary
M. No. ACS 17035
Encl: a/a**

FORTIS HEALTHCARE LIMITED

Regd. Office : Fortis Hospital, Sector 62, Phase – VIII, Mohali – 160062
Tel : 0172-5096001, Fax : 0172-5096221, CIN : L85110PB1996PLC045933



Radiant

Life Care Private Limited

Date: 24 April 2018

Board of Directors

Fortis Healthcare Limited

Tower A, Unitech Business Park, Block – F,

South City 1, Sector – 41,

Gurgaon, Haryana – 122 001

CC:

1. Mr. Deepak Kapoor, Chair, Expert Advisory Committee
2. Mr. Lalit Bhasin, Expert Advisory Committee
3. Ms. Renuka Ramnath, Expert Advisory Committee
4. Mr. Bhavdeep Singh, CEO
5. Mr. Rahul Ranjan, Company Secretary

Subject: Binding Offer

Dear Sir,

We refer to our original Offer dated April 19, 2018.

Considering the events of last few weeks, it is evident that there is significant strategic interest in FHL. We believe that in order to maximize value for the FHL shareholders, the Board of Directors of FHL should facilitate a competitive value discovery process, which allows interested suitors to carry out due diligence in order to attract additional binding offers.

However, we also understand that FHL has an urgent cash requirement and hence, due to liquidity constraints, FHL has been unable to run a formal auction process, and is only evaluating binding offers at this stage.

Consequently, in order to provide immediately liquidity to FHL, we would like to make a binding offer to only purchase Fortis Mulund hospital, without due diligence and as a going concern, at an Enterprise Value of INR 1,200 cr. as the first step.

Our **Revised Offer** for FHL endeavours to achieve the following objectives:

1. Providing immediate cash liquidity to FHL

- a. We are making a binding offer to purchase Fortis Mulund hospital, as a going concern, at an Enterprise Value of INR 1,200cr. This transaction would provide an immediate liquidity of ~INR 680cr for FHL (including proceeds from FHL's 30.04% stake in RHT, as we believe that RHT would divest Fortis Mulund assets at the Appraisal value of INR 683cr (as mentioned in the RHT 2017 Annual report);

- b. This offer presents immediate and guaranteed liquidity to FHL without any equity dilution for FHL's shareholders.

The next part of our offer, as set out below, is non-binding at this stage, and is independent of our above binding offer. This is made in the best interests of FHL shareholders, as divesting one hospital at full value (out of the portfolio of its hospitals) creates the required liquidity, but does not restrict participation of any interested bidder putting in a bid with maximum value after completing due diligence viz. this infusion of funds does not limit the ability of other bidders participating for the next phase.

2. Value maximization for SRL's shareholders (including FHL), independent of valuation of FHL's hospitals business

- a. We believe that other offers submitted by various suitors significantly undervalue SRL and do not serve the best interests of FHL's shareholders.
- b. In order to address this issue, we propose spinning-off / excluding SRL for the time being, so that FHL can run an independent competitive sale process to maximize returns for FHL's shareholders.
- c. If the valuation achieved for 100% equity value of SRL is Rs. 4,000cr (i.e. Rs. 43.20 per share of FHL), then the implied per share value of FHL ascribed by our offer would be ~Rs. 170.
- d. If the valuation achieved for 100% equity value of SRL is Rs. 4,500cr (i.e. Rs. 48.60 per share of FHL) then the implied per share value of FHL ascribed by our offer would be ~Rs. 175.

3. Proposal for FHL shareholders including acquisition of assets from RHT

- a. We propose a demerger of the hospitals business from FHL into "NewCo", excluding FHL's stake in SRL.
- b. We would launch an all-cash open offer to shareholders of NewCo at a price of Rs. 126/- per share of NewCo.
- c. Our offer is subject to our being able to acquire 26% or more shares of the NewCo via open offer. In case Radiant is unable to acquire 26% or more shares of NewCo through open offer, the NewCo shall make a preferential allotment to Radiant at Rs. 126/- per share, to enable Radiant to hold a 26% stake in NewCo.
- d. In order to fund RHT stake acquisition, we propose a rights issue offer by NewCo. The entire rights offer amount would be back-stopped by Radiant.

Please note that this leg of the proposed transaction is subject to confirmatory financial and legal due diligence and is, hence, non-binding. We have already lined-up our due-diligence advisors and we expect to be ready to sign binding agreements in three weeks from the date of acceptance of our offer.



We believe that our offer provides a holistic solution to the situation at hand, with an immediate financial relief to the company through availability of cash from sale of assets & operations of Fortis Mulund Hospital, all cash offer to shareholders that wish to exit and a chance to participate in future growth for the shareholders who wish to continue participating in a stronger business going forward.

We look forward to hearing from you in this regard at the earliest.

For and on behalf of

Radiant Life Care Pvt. Ltd.



Abhay Soi
Chairman & Managing Director

