



Fortis Healthcare Limited
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FHL/SEC/STEX/RR/2018-19

April 19, 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),

It is herewith informed that Fortis Healthcare Limited (“**the Company**”) today i.e. April 19, 2018 has received an **unsolicited non-binding expression of interest** from Radiant Life Care Private Limited with a proposal for making investment and/or re-structuring the Company subject to certain conditions as mentioned in the offer letter.

Please find enclosed the afore-mentioned proposal.

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**

Non-Binding Expression of Interest

Date: 19 April 2018

Board of Directors
Fortis Healthcare Limited
Tower A, Unitech Business Park, Block – F,
South City 1, Sector – 41,
Gurgaon, Haryana – 122 001

Attention: Mr. Bhavdeep Singh, CEO

Sub: Non-binding expression of interest

Dear Sir,

We are writing to express our interest to participate as a strategic investor in your company Fortis Healthcare Limited ("**FHL**") and its associate companies. We have observed that FHL has already received bids from various suitors. However, we believe that we can provide a better value proposition to all stakeholders of FHL and its associate companies from a long term perspective. From various media reports we understand that the company is in the need of urgent cash requirement therefore our offer provides immediate financial relief to the company through availability of cash from sale of assets & operations of FMRI (Gurgaon) and Shalimar Bagh (Delhi), 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.

Our confidence to do that stems from our ability to turnaround hospital businesses in past and our financial strength backed by one of the largest buyout funds in the world, KKR.

Our introduction

Radiant Life Care Private Limited ("**Radiant**"), is in the business of developing, redeveloping, managing and operating health care facilities. Radiant's foray in the healthcare sector commenced with the redevelopment of BLK Super Speciality Hospital ("**BLK**"). With Radiant, the present facility of BLK was completely rebuilt and re-launched in 2009 as a 650 bed state-of-the-art super specialty tertiary care hospital, with a built up area of 650,000 square feet. Over the years, BLK has achieved multiple milestones and awards at national and international forums. BLK is amongst India's leading quaternary care hospitals offering a comprehensive bouquet of services covering more than 50 different clinical specialities including Bone Marrow, Kidney, Liver and Heart transplant programs.

In 2014, Radiant collaborated with Dr Balabhai Nanavati Hospital, 64-year-old Mumbai's iconic healthcare institute. At Nanavati, Radiant has introduced global hospital management practices, expanded operations and transformed the facility into a super-specialty hospital. Currently, Radiant is in the process of augmenting Nanavati Hospital's 350 bed capacity by additional 650 beds.

KKR has invested USD 200 Mn in Radiant for 49% stake in August 2017. KKR is a leading global investment firm that manages multiple alternative asset classes, including private equity, energy, infrastructure, real estate, credit and, through its strategic partners, hedge funds.

Potential propositions and terms

We have done a preliminary and limited assessment of publicly available information about FHL and its associate companies. Based on that, we observe that FHL is in need of a strong promoter and strategic investor with the relevant experience in Indian healthcare market. As aforesaid, we have deep experience of hospital operations. Radiant's strategic alliance with FHL would deliver long-term benefits to FHL and its stakeholders. Our experience on turning around and operating large hospital assets makes us a better partner than other suitors.

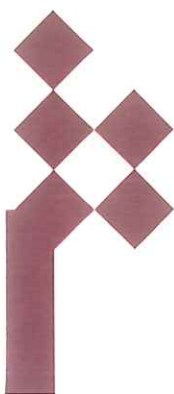
In recent past, we have observed a lot of events occurring vis-à-vis FHL and its promoters which is purely based on the news available in public. Due to this, it is difficult to solely rely on the information available on the stock exchange regarding business and operational affairs of FHL. In addition, we understand that the auditors have not been able to obtain sufficient evidence to form a conclusion on the recent financial results. You may appreciate that a strategic investor can only make the best proposition after completion of a corporate, financial and legal due diligence.

Therefore, we request you to provide us an opportunity to make the best offer to FHL and its shareholders by providing an opportunity to conduct corporate, financial and legal due diligence of FHL. Our offer is subject to satisfactory due diligence and we can further discuss about our requirement of corporate, financial and legal due diligence of FHL. It may be noted that non-consideration of our expression of interest may deprive the shareholders of FHL a better value proposition.

Our offer is as under:

1. Demerger of hospital businesses from FHL, into "NewCo", excluding FHL's stake in SRL (we understand FHL holds approximately 56% stake in SRL).
2. All cash open offer to shareholders of NewCo:
 - At a price of Rs. 165/- per share, adjusted for per share value of FHL's share holding of SRL i.e. Rs. 39/- : Net value of Rs. 126/- per share of NewCo.
 - The aforesaid per share value for SRL is arrived at assuming the equity value of 100% of SRL to be Rs 3,600 Cr.
 - The above offer is subject to Radiant 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 do preferential allotment at Rs. 126/- per share to Radiant to enable a 26% stake in NewCo.
3. Radiant will fund and underwrite the acquisition of healthcare assets of RHT via rights issue.
4. To fulfil immediate cash requirement:
 - Radiant is prepared to purchase FHL's interest in FMRI, Gurugram and/or Fortis Shalimarbagh at the same EV/EBITDA multiple being imputed to overall transaction.
 - In such event the above offer of Rs. 126/- per share shall be accordingly reduced to reflect the aforesaid transaction.

This letter represents only expression of interest and reflects merely our preliminary thoughts regarding a potential transaction. This letter does not represent a commitment, offer, invitation to offer or binding



agreement or assurance by us to enter into such transaction or legal commitments to consummate any transaction. Any obligations of us will be subject to completion of satisfactory due diligence of FHL and other relevant entities or assets.

We hereby reserve our rights to withdraw this letter and terminate discussions at any time, without any reason or prior notice at our sole discretion. We also hereby reserve all rights as may be available to us to pursue all necessary recourses to take our expression of interest further or otherwise, as we may deem fit.

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

