

**Fortis Healthcare Limited**

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

Tel : 0124 492 1033

Fax : 0124 492 1041

Emergency : 105010

Email : secretarial@fortishealthcare.com

Website : www.fortishealthcare.com

FHL/SEC/STEX/RR/2018-19

May 29, 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: Outcome of the Board Meeting dated May 28-29, 2018

Dear Sir(s),

This is to inform you that the Board of the Company, at its meeting held on May 28, 2018 and adjourned to May 29, 2018, decided to initiate a fresh bidding process as per the details enclosed herewith.

You are kindly requested to take the same on record. The meeting commenced at 1200 Noon on May 28, 2018 and the adjourned meeting concluded on May 29, 2018 at 1230 Hours.

Thanking you,
Yours faithfully

For **Fortis Healthcare Limited**

**Rahul Ranjan
Company Secretary
M. No. ACS 17035**

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29th May 2018

Invitation for Transaction Participation

The Board of Directors (“**Board**”) of Fortis Healthcare Limited (“**Company**”) received a letter from Hero Enterprise Investment Office and the Burman Family Office (“**Munjal-Burman Consortium**”) on 28th May 2018 (since released to the stock exchanges) enabling the Board to initiate a fresh bidding process. As a result, Munjal-Burman Consortium’s offer accepted by the Board on 10th May 2018 stands mutually terminated and the Board in its meeting held on 29th May 2018 has decided to initiate a fresh, time-bound process to optimize the Company’s and shareholders’ short and long term interests (“**Process**”). The Process detailed below has been designed with a view to ensure a robust outcome coupled with tight timelines keeping in view the Company’s near term obligations.

The Board therefore invites interested parties to submit fresh proposals in relation to the Process and in line with paragraph (3) (“**Key Contents for Binding Bids**”) of the Transaction Process Letter attached hereto (“**Transaction**”).

Further, based on the suitability of the offers evaluated earlier, the Board has decided to invite 3 (three) of the bidders namely Munjal-Burman Consortium, TPG-Manipal Consortium, and IHH Healthcare Berhad (“**Invited Bidders**”) to participate in the Process, subject to their confirming adherence to the process as per **Annexure B** of the Transaction Process Letter, no later than 5 p.m. IST on 31st May 2018.

Other interested parties (“**Other Bidders**”) are invited to submit an Expression of Interest (“**EOI**”) as per **Annexure A** of the Transaction Process Letter, no later than 5 p.m. IST on 31st May 2018. The Board shall evaluate the EOI submitted by Other Bidder(s) to decide their participation in the Process taking into consideration the contents of the EOI, *inter-alia*, (a) financing capability, (b) ability to consummate the Transaction in a timely manner, and (c) internal and external approvals required to consummate the Transaction.

The Board reserves the right to accept or reject any EOI submitted by Other Bidder(s) without assigning any reasons.

The Other Bidders are advised to submit their EOI and the Invited Bidders are advised to confirm adherence with the process to the following:

Standard Chartered Bank Amit Mimani (amit.mimani@sc.com) Tarun Pal (tarun.pal@sc.com)	Arpwood Capital Pvt. Ltd. Amit Nayyar (amit.nayyar@arpwood.com) Prateek Diwan (prateek.diwan@arpwood.com)
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Nothing contained herein shall constitute and/or deem to constitute an offer and/or an invitation to an offer to subscribe to securities of the Company. This communication and its contents should not be construed to be an offer document, prospectus or a private placement offer letter.

FORTIS HEALTHCARE LIMITED

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

Transaction Process Letter

Fortis Healthcare Limited (“FHL”) and the Board aims to pursue the following process to provide a fair opportunity to all the interested bidders to submit their unconditional binding offers.

1) Shortlisting of Other Bidder(s)

Based on the EOI submitted, the Board shall in its absolute discretion shortlist Other Bidder(s) (“**Other Shortlisted Bidder(s)**”) and inform them of such decision by 1st June 2018.

2) Due Diligence

Bidders (“**Invited Bidders**” and “**Other Shortlisted Bidders**”) will be provided 10 days for financial and legal due diligence and an opportunity to interact with the management and advisors who have conducted vendor due diligence (“**VDD**”) for the Company. Ability to carry out due diligence will be provided, subject to execution of (i) a non-disclosure agreement between the bidders and the Company in the form furnished by the Company and (ii) release letters, if applicable. Scope of due diligence shall include:

- i. Access to an online data room comprising of:
 - Financial VDD report as of 30th September 2017 and Legal VDD report as of 15th November 2017 for FHL
 - Financial VDD report of SRL Limited (“**SRL**”) as of 30th June 2017 and update thereof up to 31st October 2017. Legal VDD report as of 15th November 2017 for SRL
 - P&L MIS details and KPIs for FHL and SRL for Q3 and Q4 FY18
 - Unaudited balance sheet details with schedules as on 31st March 2018
 - Update on the status of major litigations against the Company
 - Update on ongoing investigations by various regulatory / statutory agencies
- ii. Time-bound, in-person Q&A session with the VDD advisors along with select management personnel and/or financial advisor(s) to address material VDD queries. Bidders will be required to submit their queries 1 (one) day in advance and categorize the same in order of priority.
- iii. Time-bound, in-person management presentations.

Please note that given the time-bound process, no queries will be entertained during the due diligence process other than through in-person sessions as outlined in paragraphs 2 (ii) and (iii) above.

3) Key Contents for Binding Bids:

Binding Bids to be submitted by the Bidders should address the following objectives and, shall have the following features:

- a. Minimum investment of INR 1,500 crores into FHL by way of preferential allotment
- b. Plan for funding of RHT Health Trust (“**RHT**”) acquisition, having long stop date of 30th September 2018
- c. Plan for providing exit to private equity (“**PE**”) investors of SRL

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- d. Bids to be unconditional except for the regulatory approvals (to be specified in the bids) and approval from FHL shareholders, to the extent required by law
- e. Bid to include sources of funds to finance the Transaction, including firm commitment letter(s) from lenders, if applicable
- f. Plans for retention of current management and employees

In addition, Bidders shall also need to provide marked-up version of the transaction document, draft of which will be provided by the Company in the data room.

4) Submission of Binding Bids

Binding Bid should be addressed to the Board of Directors and submitted in a sealed envelope only **between 8.30 AM IST to 9.30 AM IST on Thursday, the June 14, 2018** to the following address:

Cyril Amarchand Mangaldas,
4th Floor, Prius Platinum, D-3, District Centre,
Saket, New Delhi 110 017, India
Kind attention: Ruetveij Pandya

Any EOI or bids not in conformity with the Process or submitted after the expiry of the deadlines laid out in this Transaction Process Letter will not be taken into consideration.

5) Evaluation Criteria

Binding Bids submitted shall be evaluated by the Board, in consultation with its Financial Advisors and Legal Advisors, inter-alia using the following indicative criteria:

- i. Commercial terms such as valuation, quantum of investment and schedule thereof;
- ii. Plans to address FHL's near term liquidity requirements, long term strategic requirements including for providing exit to PE investors of SRL and RHT acquisition;
- iii. Bidder's vision and value proposition for the Company; and
- iv. Deal certainty including simplicity of transaction structure, timeline, regulatory approvals required and financing arrangement;

The Board reserves the right to negotiate, accept or reject any Binding Bid(s) submitted by the Bidder(s) without assigning any reasons.

6) Indicative Process Timelines

Table hereunder depicts the indicative timelines expected to be followed.

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Date	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	
Month	May	May	May	Jun	Jun	Jun	Jun	Jun	Jun	Jun	Jun	Jun	Jun	Jun	Jun	Jun	Jun	
Day	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	
Activities	T	T+1	T+2	T+3	T+4	T+5	T+6	T+7	T+8	T+9	T+10	T+11	T+12	T+13	T+14	T+15	T+16	
Invitation for Participation																		
Submission of EOI by Other Bidders																		
Adherence confirmation by Invited Bidders																		
Shortlisting of Other Bidders																		
NDA execution																		
VDR Access																		
In-person Q&A session with VDD advisors									<i>To be scheduled</i>									
Management Presentation Sessions									<i>To be scheduled</i>									
Submission of Binding Bids																		

FHL has appointed Standard Chartered Bank and Arpwood Capital Pvt. Ltd. as financial advisors (“**Financial Advisors**”) to the Transaction; and Cyril Amarchand Mangaldas and Vaish Associates as legal advisors (“**Legal Advisors**”).

The Board and the Company reserve the right to modify the Process, timeline or any parts of this Transaction Process Letter at its discretion. Any such amendments to the Process shall be communicated to the Bidders.

The Financial Advisors will act as primary point of contact for the Bidders and will be available throughout the Process to respond to all reasonable enquiries.

Key Contacts:

<p>Standard Chartered Bank 5/F, Crescenzo, C-38/39, G-Block, Behind MCA Club Bandra Kurla Complex, Bandra (E), Mumbai -400 051, INDIA Tel: +91 22 6115 9045 B</p> <p>Amit Mimani (amit.mimani@sc.com) Tarun Pal (tarun.pal@sc.com)</p>	<p>Arpwood Capital Pvt. Ltd. 51A/51B, Maker Chamber IV Jamnalal Bajaj Road, Nariman Point Mumbai 400 021, INDIA Tel: +91 22 6621 7000 B</p> <p>Amit Nayyar (amit.nayyar@arpwood.com) Prateek Diwan (prateek.diwan@arpwood.com)</p>
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[on the letterhead of the bidder]

**Annexure A:
Expression of Interest**

To,
Board of Directors,
Fortis Healthcare Limited

Sub: Expression of Interest

We refer to the stock exchange announcement dated 29th May 2018 inviting interested parties to participate in the Transaction as defined therein.

We are pleased to submit this Expression of Interest for your kind consideration.

[Expression of Interest to include the following]

- Brief background of the bidder
- Financial Overview (for last 3 years as applicable)
- Past experience in healthcare sector
- Vision and value proposition for FHL
- Proposed Transaction outline (in line with paragraph 3 of the Transaction Process Letter)
- Financing Sources
- Internal and External Approvals required for the transaction
- Confirmation to adhere to the indicative timeline and the process detailed out in the Transaction Process Letter
- Any other relevant details

Also attached is a list of persons along with their contact details requiring access to data room.

For,

.....

Authorized Signatory:

[on the letterhead of the bidder]

**Annexure B:
Confirmation Letter by Invited Bidders**

To,
Board of Directors,
Fortis Healthcare Limited

Sub: Confirmation Letter

We refer to the stock exchange announcement dated 29th May 2018 and thank you for inviting us as Invited Bidder to participate in the Transaction as defined therein.

We are pleased to confirm that we will adhere to the indicative timeline and the process detailed out in the Process Letter.

Also attached is a list of persons along with their contact details requiring access to data room

For,

.....

Authorized Signatory: