

**FMHL/SEC/STEX/RR/2015-16**

**August 19, 2016**

**BSE Limited  
Corporate Services Department  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai – 400 001  
Scrip Code: 523696**

**Sub: Outcome of the Board Meeting**

Dear Sir

We wish to inform you that the Board of Directors of the Company at their meeting held today, i.e., August 19, 2016, considered and approved the following:

Subject to the requisite approval of the shareholders and creditors of the Company, the jurisdictional High Courts, and other approvals (regulatory or otherwise) as may be required, a composite scheme of arrangement and amalgamation between the Company (**FMHL**), Fortis Healthcare Limited ("**FHL**") and SRL Limited ("**SRL**") and its respective shareholders and creditors under Section 391-394 of the Companies Act, 1956 and read with Section 52 of the Companies Act, 2013, Section 78 and Sections 100 to 103 of the Companies Act, 1956 ("**Scheme**"), whereby, *inter alia*, (a) the hospital business undertaking of FMHL shall be transferred to FHL, as a going concern, by way of slump sale, in lieu of payment of a lump sum consideration by FHL to Company, (b) the undertaking of FHL pertaining exclusively to the diagnostics business of FHL as identified in the Scheme shall be transferred to the Company by way of a demerger in lieu of issuance of equity shares by Company to shareholders of FHL as per approved share entitlement ratio; followed by (b) the amalgamation of SRL into the Company and dissolution of SRL without winding up, and the consequent issue of equity shares by the Company to the shareholders of SRL and the cancellation of equity shares of SRL held by the Company ("**Amalgamation**"), and various other matters consequential or otherwise integrally connected therewith, including the reorganization of the share capital of the Company and change of name of the Company into SRL Limited (or such other name may be decided by the Board of Directors or a committee thereof of the Company and approved by the concerned Registrar of Companies). The appointed date for the scheme is the opening of business on January 1, 2017 or such other date as may be decided by the Board of Directors of the Company, FHL and SRL.

The Audit Committee has furnished its report to the Board of Directors of the Company recommending the Scheme. The Fairness Opinion on the Scheme has been furnished by Corporate Capital Ventures Private Limited, an independent merchant banker. The valuation report(s) for the Scheme have been provided by Price Waterhouse & Co LLP, an independent chartered accountant ("**Valuation Report**").

FORTIS MALAR HOSPITALS LIMITED

Regd. Office: Escorts Heart Institute and Research Centre, Okhla Road, New Delhi - 110 025  
Tel: +91 11 2682 5000, Fax: +91 11 4162 8435, CIN: L85110DL1989PLC276986



Please find enclosed **Annexure 1** containing additional details required as per Regulation 30 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015.

Additionally, also attached is the press release issued by the holding Company i.e. FHL, and a presentation in relation to the proposed Scheme, which also set out the share entitlement and exchange ratios for the demerger and merger, respectively and the consideration for the slump sale, as approved by the Board of Directors of the Company.

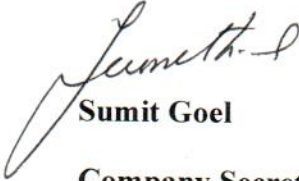
Further, the Board has also approved to make an application to National Stock Exchange for listing of its shares on NSE.

You are kindly requested to take the same on record. The meeting concluded at 3.30 p.m.

Thanking you,

Yours faithfully

**For Fortis Malar Hospitals Limited**



**Sumit Goel**

**Company Secretary**



**Encl: a/a**



**ANNEXURE 1**

**Disclosure under Regulation 30 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015**

**Composite Scheme of Arrangement and Amalgamation**

S No.	Particulars	Remarks
1.	Name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc.	<p>The Scheme is a composite scheme of arrangement and amalgamation, and provides for business transfer by way of slump sale, demerger and merger as set out in the cover letter and the enclosed press release.</p> <p>The Scheme is between the following companies and their respective shareholders and creditors.</p> <p>A) <b>Fortis Healthcare Limited (“FHL”)</b>, a public limited company incorporated under the Companies Act, 1956 (“Act”), and having its registered office at Escort Heart Institute &amp; Research Centre, Okhla, New Delhi-110025. The equity shares of FHL are listed on the BSE Limited and National Stock Exchange of India Limited. FHL has further issued certain foreign currency convertible bonds (“FCCBs”), which are listed on the Singapore Exchange Securities Trading Limited and certain FCCBs which are not listed on any stock exchange.</p> <p>FHL has turnover of Rs. 7588.27 Millions and net worth of Rs. 36082.60 Million</p> <p>The Board of Directors in their meeting held on August 4, 2016 have approved to shift the registered office of the Company to Fortis Hospital, Sector-62, Phase VIII, Mohali, Punjab- 160062.</p> <p>B) <b>SRL Limited (“SRL”)</b>, a public limited company incorporated under the Act with its registered office at Plot No. D-3, A Wing, 2nd Floor, District Centre, Saket, New Delhi – 110 017. SRL is a subsidiary of FHL.</p> <p>SRL has turnover of Rs. 6203.18 Million and net worth of Rs. 8564.29 Million</p> <p>The Board of Directors in their meeting held on August 4, 2016 have approved to shift the registered office of the Company to Fortis</p>



S No.	Particulars	Remarks
		<p>Hospital, Sector-62, Phase VIII, Mohali, Punjab- 160062.</p> <p>C) <b>Fortis Malar Hospitals Limited</b> (“FMHL”), a public limited company incorporated under the Act with its registered office at Escort Heart Institute &amp; Research Centre, Okhla, New Delhi-110025. The equity shares of FMHL are listed on BSE Limited. FMHL is a subsidiary of Fortis Hospitals Limited (“FHsL”), a public company incorporated under the Act, and a wholly owned subsidiary of FHL.</p> <p>FMHL has turnover of Rs.1,373.34 Million and net worth of Rs. 955.81 Million</p> <p>The Board of Directors in their meeting held on August 4, 2016 have approved to shift the registered office of the Company to Fortis Hospital, Sector-62, Phase VIII, Mohali, Punjab- 160062.</p>
2.	Area of business of the entity(ies);	<p><b>FHL:</b></p> <p>FHL is primarily engaged in providing integrated healthcare delivery services such as healthcare, diagnostics and its businesses include that of managing and operating a network of multi-speciality hospitals and providing preventive healthcare and diagnostics services, including pathology and radiology.</p> <p><b>SRL:</b></p> <p>SRL is, <i>inter alia</i>, engaged in establishing, maintaining and managing clinical reference laboratories and other laboratories for providing testing and diagnostic services.</p> <p><b>FMHL:</b></p> <p>FMHL is engaged in (i) the business of running and operating hospitals, comprising of (a) hospital operation and management; (b) in-patient healthcare services; and (c) emergency healthcare services, in connection with and pertaining specifically to the hospital named ‘Fortis Malar Hospital’, located at Adyar, Chennai; and (ii) the business of providing diagnostics services, i.e., providing pathology services.</p>
3.	The amount and percentage of the	In terms of operating revenue (business operations) of Hospital business MHL the total contribution was ~ 97% i.e. Rs. 1261 mn revenue of total

S No.	Particulars	Remarks
	<p>turnover or revenue or income or net worth contributed by such unit or division of the listed entity or its subsidiary which is being sold/disposed off during the last financial year.</p> <p>Brief details of the division(s) to be demerged</p> <p>Turnover of the demerged division and as percentage to the total turnover of the listed entity in the immediately preceding financial year / based on financials of the last financial year;</p>	<p>Reported revenue of FMHL in FY16</p> <p>Fortis Malar Hospital, formerly known as Malar Hospital, is one of the distinguished multi super-specialty corporate hospitals in Chennai providing comprehensive medical care in areas of cardiology, cardio-thoracic surgery, nephrology, neurosurgery, orthopedics, nephrology, gynecology, oenterology, urology, pediatrics and diabetics.</p>
4.	The expected date of completion of sale/disposal	<p>The appointed date for the scheme is the opening of business on January 1, 2017.</p> <p>The Scheme will become effective upon receipt of all necessary approvals, including those of the shareholders and creditors of the companies involved, the High Court approval and other requisite statutory, governmental and other approvals.</p> <p>The Scheme shall be filed with the relevant High Court under the provisions of the Act only after the companies have changed their registered offices in the manner approved by their respective Board of Directors.</p>
5.	Consideration/ Entitlement	<p>Share Ratio/ FHL will pay a lump sum cash consideration of Rs. 43 Crores to the Company for acquisition of the hospitals business undertaking of FMHL</p>



S No.	Particulars	Remarks
	Share Exchange Ratio	<p>by way of slump sale.</p> <p>Pursuant to the demerger of the diagnostics business undertaking of FHL into the Company, the Company shall issue equity shares to shareholders of FHL (as on the record date) in the share entitlement ratio of 0.98 equity shares in the Company of face value INR 10 each credited as fully paid up for every 01(One) equity shares of face value INR 10 each fully paid up held by such member in FHL.</p> <p>Pursuant to the amalgamation of SRL into the Company, the Company shall issue shares to shareholders of SRL (as on the record date) in the share exchange ratio of 10.8 equity shares of the face value of Rs. 10 (Rupees Ten only) each (credited as fully paid up) of the Company for every 01(One) equity shares of the face value of Rs. 10 (Rupees ten only) each (credited as fully paid-up) held by such member in SRL.</p>
6.	Rationale for the Scheme	<p>Presently, the healthcare delivery services business, i.e., the hospitals and the diagnostics businesses of FHL are housed in various entities, including:</p> <p>(a) FHL and FMHL, which primarily comprise of the operating and managing of the hospitals, providing diagnosis and treatment related to multiple chronic and non-chronic specialties and diagnostics business; and</p> <p>(b) SRL, which is engaged in diagnostics business.</p> <p>Both the hospitals and diagnostics businesses have distinct operating models and given the macro-fundamentals of the healthcare industry, each of these provide a strong growth opportunity in the foreseeable future. Currently these businesses separately encompass a pan-India presence and have since their inception attained a significant size and scale in their respective segments. As both businesses approach their next phase of growth, it would be strategically apt to have them restructured under separate entities to enable them to move forward independently, with greater focus and specialization building further on their respective capabilities and their strong brand presence. The Scheme could benefit both businesses from the potential synergies and incremental operational efficiencies from combining with similar and related businesses under FMHL (in case of the diagnostics business) and under FHL (in case of the hospital business) enabling both businesses to create further value.</p>



S No.	Particulars	Remarks
		Additionally, the restructuring would lead to a simplified organization structure assisting shareholders and investors to better understand and evaluate both businesses independently as investment options and potentially lead to a higher value illumination of each of these businesses. Thus the Scheme is sought to be undertaken to consolidate: (i) the Diagnostics Business under FMHL; and (ii) the business of operating and managing hospitals under FHL, with a view to unlock value and accrue potential synergy benefits for the businesses arising, <i>inter alia</i> , on account of operational efficiencies.
7.	Whether the transaction would fall within related party transaction? If yes, whether the same is done at "arms length".	<p>Yes.</p> <p>SRL is a subsidiary of FHL, and FMHL is a step down subsidiary of FHL</p> <p>The consideration/exchange/entitlement ratios for the Scheme are based on the Valuation Report(s) provided by an independent Chartered Accountant Price Waterhouse &amp; Co LLP. Corporate Capital Ventures Private Limited has provided a fairness opinion on fairness of the Scheme.</p> <p>The Audit Committee has also independently approved the Scheme.</p> <p>The Scheme is, <i>inter alia</i>, subject to the approvals of the majority of the public shareholders of the Company in accordance with the requirements of SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 on Scheme of Arrangements by Listed Entities.</p>
8.	Brief details of change in shareholding pattern (if any) of all entities	Please see Annexure 2.
9.	Whether listing would be sought for the resulting entity.	The Company (FMHL) is a listed entity on BSE Limited. The Company will apply for listing of its shares on NSE.



**ANNEXURE 2**

**PRE AND POST SCHEME SHAREHOLDING PATTERN**

**PRE SCHEME SHAREHOLDING**

**Fortis Healthcare Limited (Fully Diluted)**

Particular	No. of Shares	Percentage
Promoters & Promoter Group	330,141,948	63.09
Public	193,157,533	36.91
<b>Total</b>	<b>523,299,481</b>	<b>100.00</b>

*Fully diluted shareholding assuming full FCCB & outstanding ESOP conversion*

**Fortis Malar Hospitals Limited (Fully Diluted)**

Particular	No. of Shares	Percentage
Promoters & Promoter Group	11,753,202	62.40
Public	7,071,057	37.60
<b>Total</b>	<b>18,824,259</b>	<b>100.00</b>

*Fully diluted shareholding assuming full outstanding ESOP conversion*

**SRL Limited (Fully Diluted)**

Particular	No. of Shares	Percentage
Promoters & Promoter Group	49,536,779	61.72
Public	30,718,317	38.28
<b>Total</b>	<b>80,255,096</b>	<b>100.00</b>

*Fully diluted shareholding assuming all CCPS & outstanding ESOP conversion (adjusted for 6% cancelled ESOPs)*

**POST SCHEME SHAREHOLDING**

**Fortis Healthcare Limited (Fully Diluted)**

Particular	No. of Shares	Percentage
Promoters & Promoter Group	330,141,948	63.09
Public	193,157,533	36.91
<b>Total</b>	<b>523,299,481</b>	<b>100.00</b>

*Fully diluted shareholding assuming full FCCBs & outstanding ESOP conversion*

**Fortis Malar Hospitals Limited (Resultant Company)**

Particular	No. of Shares	Percentage
Promoters & Promoter Group	381,470,755	41.92
Public	528,469,636	58.08
<b>Total</b>	<b>909,940,391</b>	<b>100.00</b>





**PRESS RELEASE**

**Fortis Healthcare Limited Board of Directors approves demerger of its diagnostics business into a separate listed Company through a composite scheme of arrangement**

**Gurgaon, August 19, 2016** : The Board of Directors of Fortis Healthcare Limited (“**Fortis Healthcare**”/ “**Company**”) has, at its meeting today, approved a proposal to demerge its diagnostics business, including that housed in its majority owned subsidiary SRL Limited (“**SRL**”) into another majority owned subsidiary, Fortis Malar Hospitals Limited (“**Fortis Malar**”) pursuant to a composite scheme of arrangement and amalgamation. The demerger shall be followed by SRL being merged with Fortis Malar as an integral part of the same composite scheme.

Fortis Malar operates a hospital facility in Chennai and is listed on the BSE Limited (the “**BSE**”). The composite scheme will also provide for the sale of its hospital business by Fortis Malar to Fortis Healthcare by way of a slump sale for a lump sum cash consideration, and the same shall precede the merger. Upon the composite scheme becoming effective, and subject to receipt of requisite regulatory and statutory approvals, the diagnostics business of Fortis Healthcare, including that housed in SRL would be vested in Fortis Malar. The name of Fortis Malar will subsequently be changed to SRL Limited and this company is proposed to be listed on the National Stock Exchange of India Limited (the “**NSE**”), in addition to its current listing on the BSE.

Upon the effectiveness of the composite scheme and as consideration towards the demerger of the diagnostics business undertaking of Fortis Healthcare, Fortis Malar would issue and allot to the equity shareholders of Fortis Healthcare, as on record date, 0.98 fully paid up equity shares of Rs 10 each of Fortis Malar for every 1 equity share of Rs 10 each held by them in Fortis Healthcare. The equity shareholders of SRL (except for Fortis Malar, who will acquire shares of SRL pursuant to the demerger) will, as a consideration towards the merger of SRL into Fortis Malar, be issued and allotted 10.8 equity shares of Rs 10 each of Fortis Malar for every 1 equity share of Rs 10 each held by them in SRL as on record date. Further, Fortis Healthcare shall pay an amount of Rs 43 Cr as lump sum consideration to Fortis Malar towards acquisition of the hospital business of Fortis Malar.

Appointed date for the slump sale, demerger and merger under the composite scheme is opening of business on 1<sup>st</sup> January, 2017. The composite scheme of arrangement and amalgamation will be subject to the various statutory and regulatory approvals including those from the stock exchanges, and shareholders, and creditors of the respective entities, and the sanction of the jurisdictional High Court.







**Commenting on the scheme, Mr. Malvinder Singh, Executive Chairman, Fortis Healthcare said** "We believe this will unlock immense value for all the shareholders. As a result of the new synergistic groupings, both the hospitals and diagnostic businesses will benefit from greater clarity, a stronger focus and an independent growth trajectory. Equally, this will enable the accelerated pursuit of their respective business goals while empowering them to reach their fullest potential."

**Mr. Bhavdeep Singh, CEO, Fortis Healthcare Ltd, said,** "Our hospitals and diagnostics businesses continue to perform equally well. However, in the longer term, they have a growth path of their own requiring distinctive strategies. The new arrangement resulting from the demerger will harness these unique capabilities and strengths, unlocking value by combining the flexibility with a focus on rapidly scaling up operations."

#### **Rationale for the proposed transaction**

Presently, the healthcare delivery services business i.e. hospitals and the diagnostics businesses are housed in (1) Fortis Healthcare & Fortis Malar which primarily comprise of the operating and managing of the hospitals, providing diagnosis and treatment related to multiple chronic & non-chronic specialties and diagnostics business and (2) SRL, which is engaged in diagnostics business.

The hospitals and the diagnostics businesses have distinct operating models and given the macro-fundamentals of the healthcare industry, each of these provide a strong growth opportunity in the foreseeable future. Both businesses have a pan-India presence and have since their inception attained a significant size and scale in their respective segments.

As both businesses approach their next phase of growth, it would be strategically apt to have them restructured under separate entities to enable them to move forward independently, with greater focus and specialization; leveraging further on their respective capabilities and their strong brand presence.

Additionally, the proposed restructuring, would lead to a simplified organization structure assisting shareholders and investors to better understand and evaluate both businesses independently as investment options and potentially lead to a higher value illumination of each of these businesses.



### About the Companies

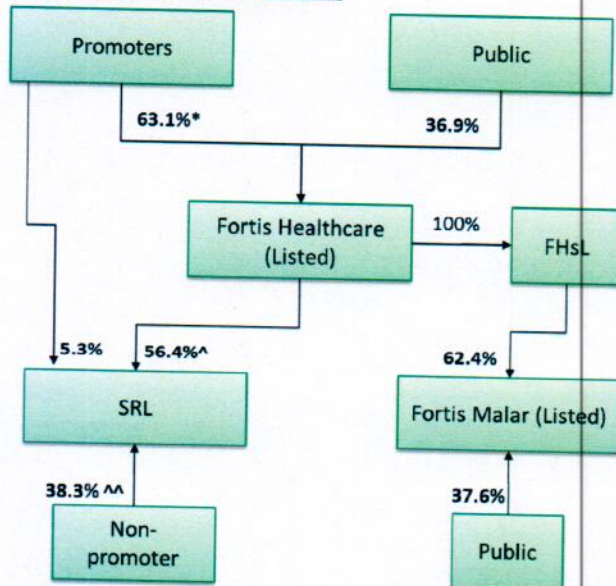
Fortis Healthcare is today amongst the leading healthcare delivery chains in the country currently encompassing both the hospitals and the diagnostics businesses. The promoters of Fortis Healthcare own a fully diluted stake of 63.1% in the Company with the rest being held by public shareholders.

SRL Limited, a subsidiary of Fortis Healthcare is primarily involved in providing diagnostics services and is amongst the leading diagnostics chains in India with a significant market share in the organized diagnostics segment. It comprises an enviable infrastructure of more than 329 laboratories, 7,300 collection points and an offering of close to 3,800 tests; cumulatively performing more than 33 million tests annually. Fortis Healthcare owns a fully diluted stake of 56.4% in SRL.

Fortis Malar is an entity listed on the BSE comprising of a multi –specialty facility in Chennai. Fortis Healthcare owns an indirect fully diluted equity stake of 62.4% in Fortis Malar with the rest being held by public shareholders.

The Pre and Post transaction Shareholding structure would be as follows:

#### Pre Transaction Structure

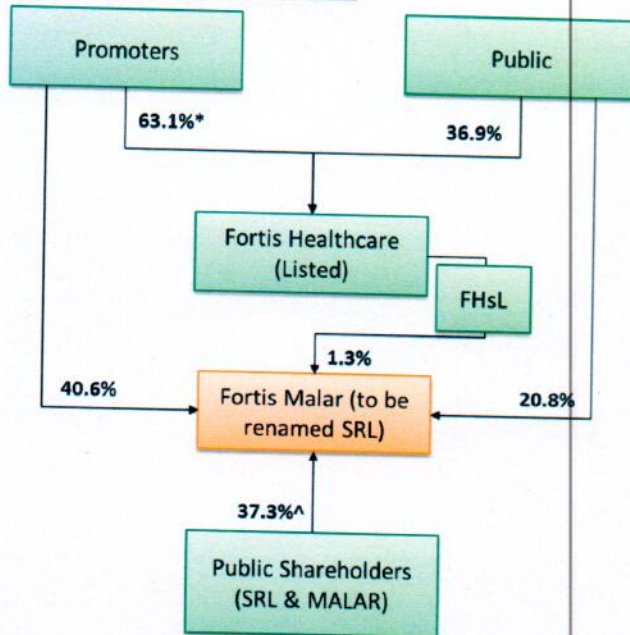


\* Fully diluted shareholding assuming full FCCB conversion

^Fully diluted shareholding assuming all CCPS conversion.

^^ Non-promoter shareholders of SRL include Private Equity shareholders of SRL, Other Financial institution / corporate entity shareholders of SRL

### Post Transaction Structure



\* Fully diluted shareholding assuming full FCCBs conversion

^Public shareholders of SRL include Private Equity shareholders of SRL, Other Financial institution / corporate entity shareholders of SRL and public shareholders of FMHL

### Key advisors to the transaction

- JM Financial is advisor to Fortis Healthcare on the transaction.
- YES Securities (India) Ltd. is advisor to Fortis Malar on regulatory and related requirements for the transaction.
- PwC were the advisors on the structuring of the transaction.
- Cyril Amarchand Mangaldas acted as the key legal advisor.
- Price Waterhouse & Co LLP were the valuers to the transaction.





### **About Fortis Healthcare Limited**

Fortis Healthcare Limited is a leading integrated healthcare delivery service provider in India. The healthcare verticals of the company primarily comprise hospitals, diagnostics and day care specialty facilities. Currently, the company operates its healthcare delivery services in India, Dubai, Mauritius and Sri Lanka with 45 healthcare facilities (including projects under development), approximately 10,000 potential beds and 329 diagnostic centres.

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#### **For further details please contact:**

**Raghu Kochar**  
**Fortis Healthcare Ltd**  
**9811617256**

**Anurag Kalra / Gaurav Chugh**  
**Fortis Healthcare Ltd**  
**9810109253 / 9958588900**





# Fortis Healthcare Limited – Composite Scheme



*“ Saving and Enriching Lives”*



August 19, 2016



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# Presentation Structure

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➤ Fortis – An Overview

➤ SRL Value Unlocking

➤ Diagnostic Industry Opportunity

➤ SRL Ltd. Overview

➤ Current Structure / Shareholding and Rationale Of Composite Scheme

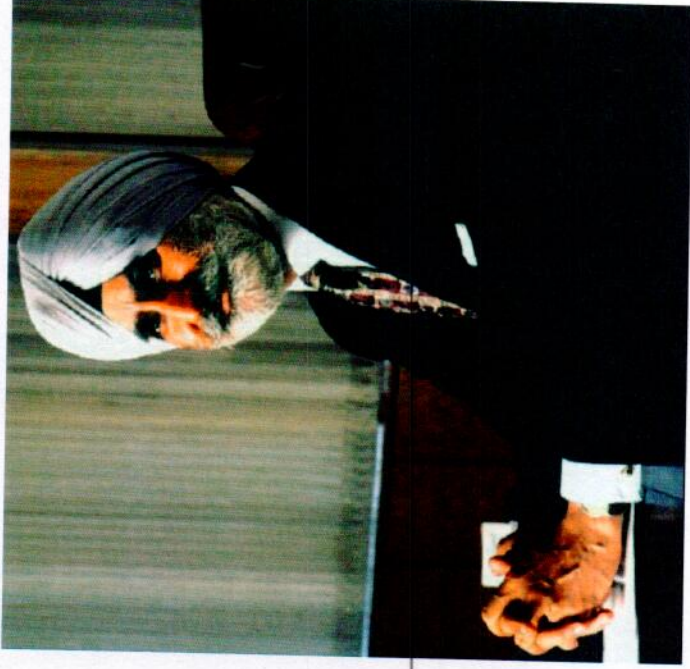
➤ Summary of Composite Scheme of Arrangement & Amalgamation

➤ Resultant Structure / Shareholding



# The Founding Vision

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*Late Dr. Parvinder Singh  
Founder Chairman, Fortis Healthcare Ltd.*

**“TO CREATE A WORLD-CLASS INTEGRATED HEALTHCARE DELIVERY SYSTEM IN INDIA,  
ENTAILING THE FINEST MEDICAL SKILLS COMBINED WITH COMPASSIONATE PATIENT CARE”**

## Vision



*“ Saving and Enriching Lives”*

## Mission

**GLOBALLY RESPECTED**  
HEALTHCARE ORGANISATION KNOWN FOR  
**CLINICAL EXCELLENCE & DISTINCTIVE PATIENT CARE**



# Our Journey

2013-16

Commissioned FMRI,  
LDH & Bengaluru;  
Divested  
International Assets

2012

Acquired Fortis  
International Pte. ;  
Business Trust listing  
on SGX

2011

Acquired stake in SRL  
(Diagnostics  
laboratory network)

2010

Acquired & divested  
stake in Parkway  
Holdings &  
commissioned 2 new  
hospitals

2009

Acquired 10 hospitals  
from Wockhardt  
group

2007-08

Fortis IPO - Listing on  
BSE & NSE  
Acquired Malar  
hospitals, Chennai

2005

Acquired Escorts chain  
of hospitals;  
Launched Fortis La  
Femme

2004

Commissioning of  
second greenfield  
hospital (NCR)

2001

Started first hospital at  
Mohali, Punjab



# Current Operational Expanse

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## ONE OF THE LEADING HEALTHCARE DELIVERY CHAINS IN INDIA

### SCALE OF OPERATIONS

- 45 HEALTHCARE FACILITIES WITH PRESENCE ACROSS 14 STATES & 19 CITIES
- 4,600 OPERATIONAL BEDS WITH ~10,000 POTENTIAL BED CAPACITY
- PROVIDES SECONDARY, TERTIARY AND QUATERNARY HEALTHCARE DELIVERY SERVICES TO PATIENTS
- 329 DIAGNOSTIC CENTRES, OVER 7,300 COLLECTION POINTS AND PRESENCE ACROSS 700+ CITIES IN INDIA; OFFERS OVER 3800 TESTS
- SRL PROVIDES DIAGNOSTIC SERVICES WHICH INCLUDES PATHOLOGY, IMAGING, WELLNESS AND CLINICAL RESEARCH SERVICES
- OVER 22,000 EMPLOYEES ACROSS FORTIS & SRL



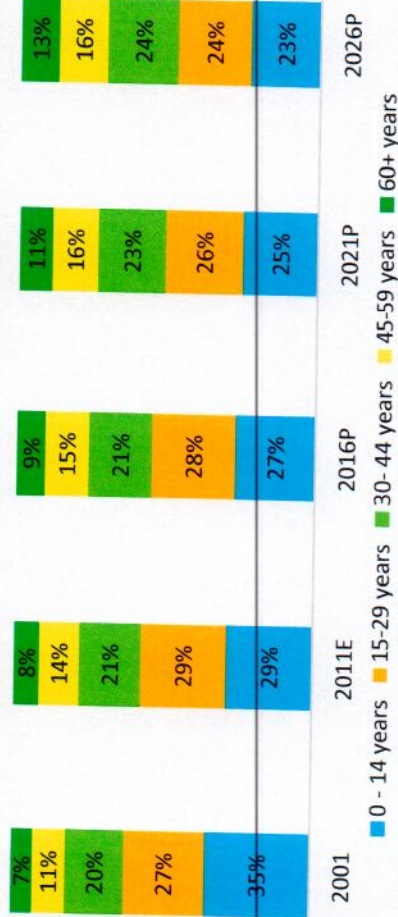


# SRL VALUE UNLOCKING

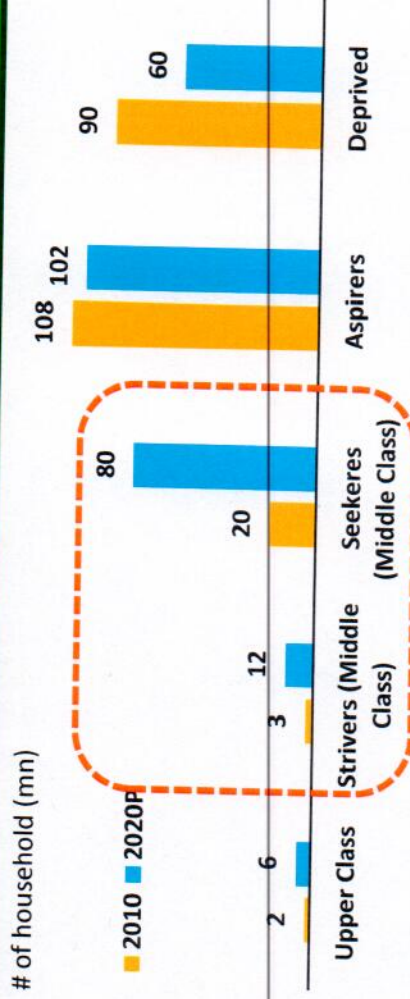
# Diagnosics Market Opportunity - Strong macro drivers

Increasing population, incidence of lifestyle diseases, awareness and rising affordability driving demand for quality diagnostic services

## Rapidly ageing population of India

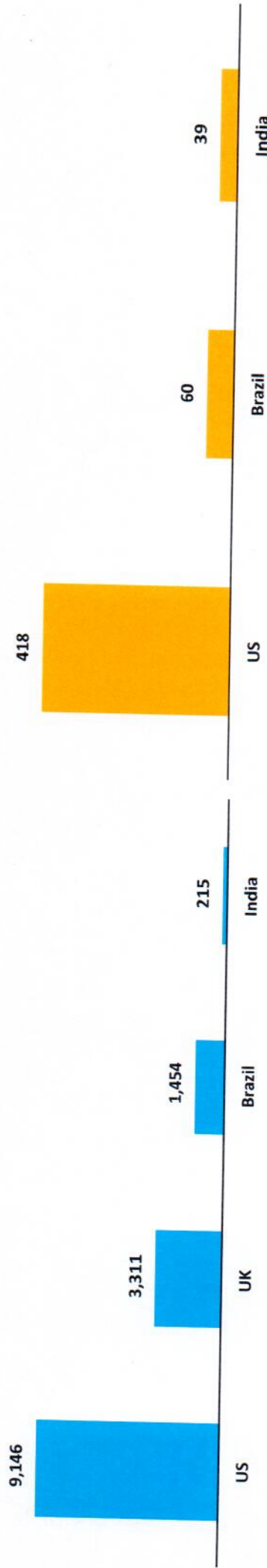


## India's Burgeoning Middle Class



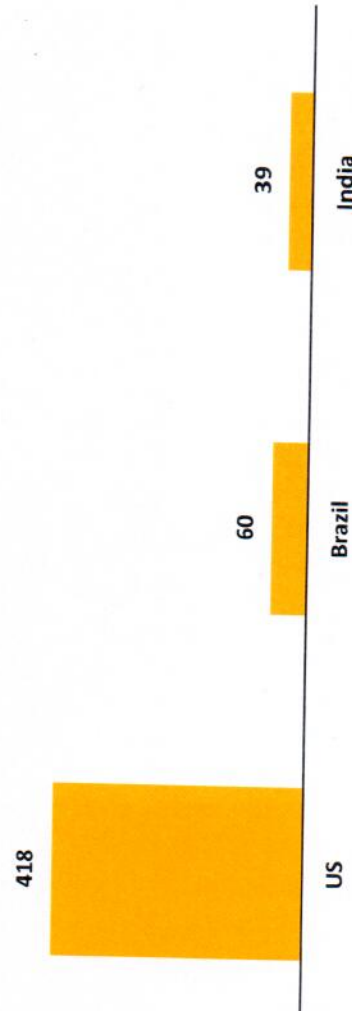
## India's per capita spend on diagnostic is low

US\$ / annum (adjusted for purchasing power) - 2013 data



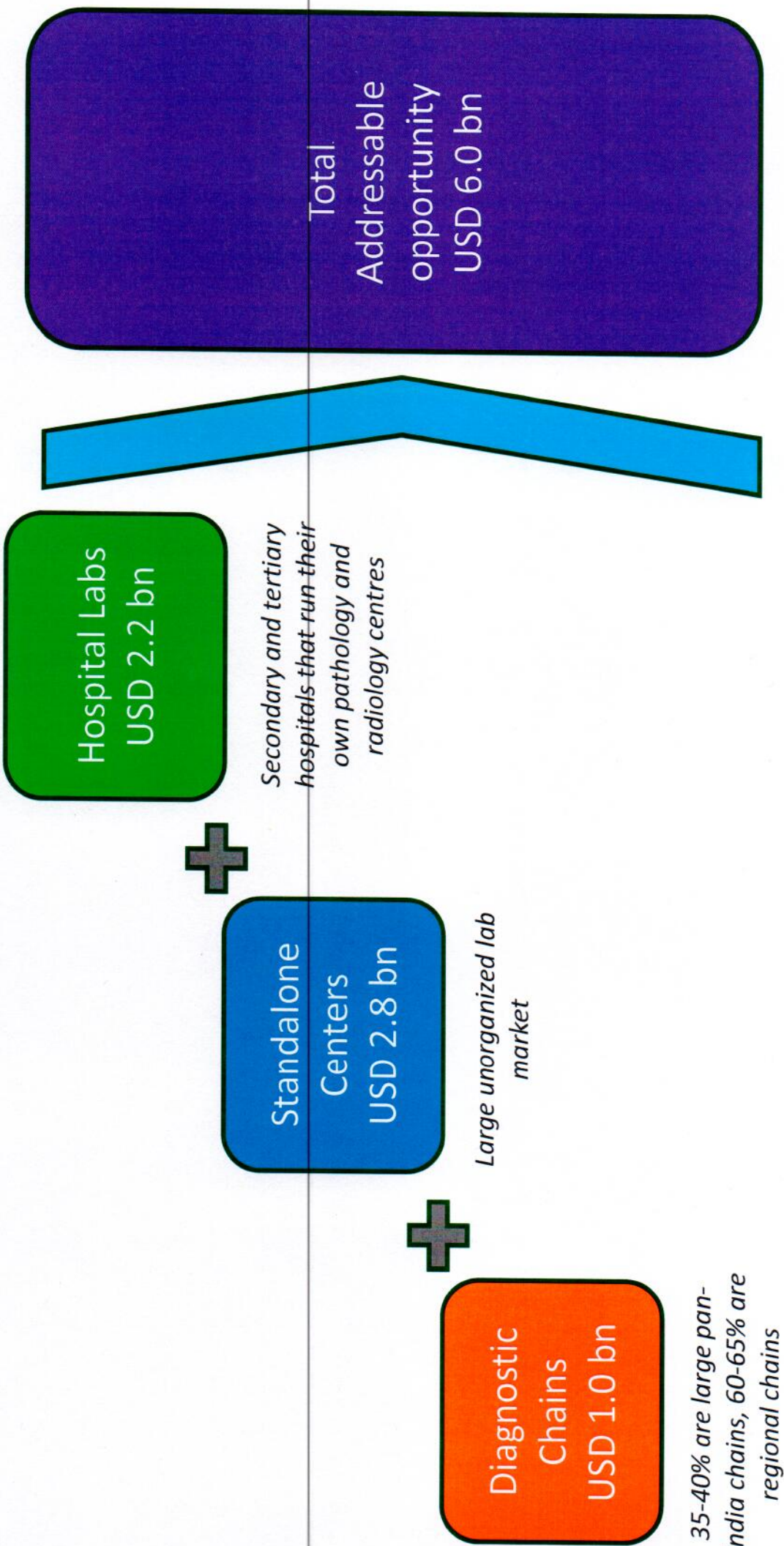
## Significant room for growth in diagnostic market

# of diagnostic labs per million population



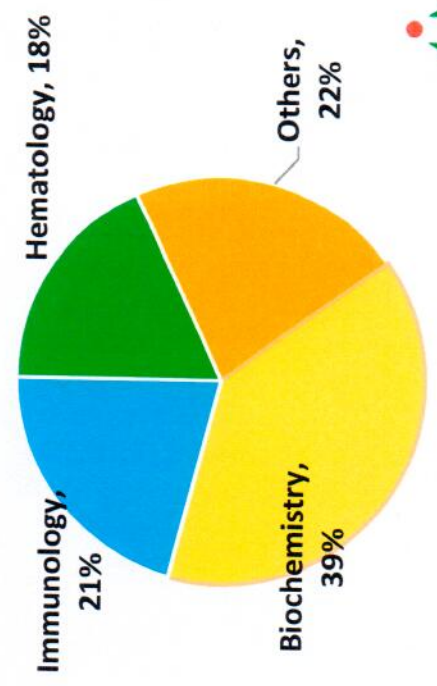
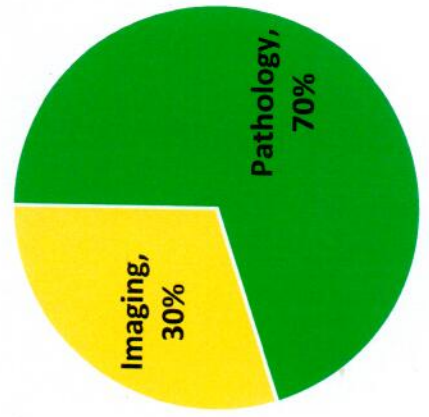
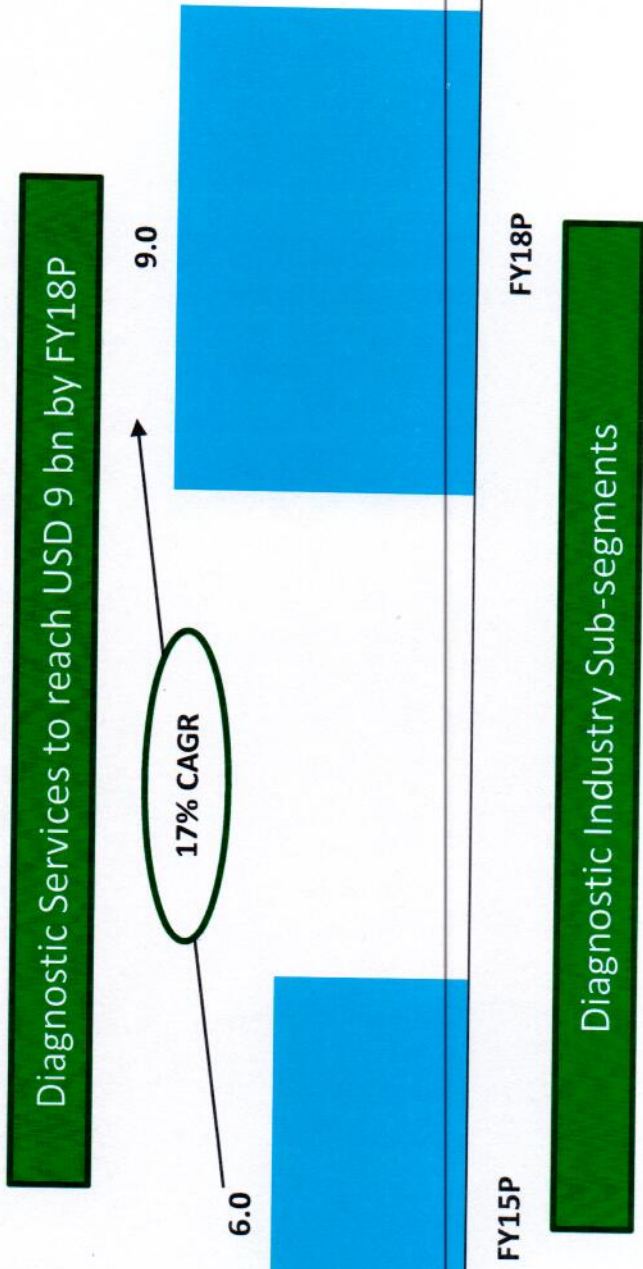


# Diagnosics Services Market in India



35-40% are large pan-India chains, 60-65% are regional chains

# Rapid growth of Diagnostic Services in India





# SRL Overview

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- The largest private player in the organized diagnostic sector in India
- Presence across > 700 towns and cities across the country
- Offering a comprehensive range of investigations in Pathology and Imaging with over 3,800 types of diagnostic tests
- Performed ~14.5 mn accessions and ~33 mn tests during FY16
- Manages 100+ hospital implants – largest by any diagnostics network in the country

4 Reference Laboratories



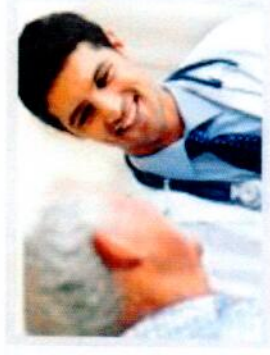
325 Network Laboratories



1,074 Collection Centers



6,271 Direct Clients





## Accreditations

- ✓ SRL has the highest number of accredited labs in the country
- ✓ Accreditation by CAP, NABL and NGSP
- ✓ Compliance with Clinical Pathology Accreditation (CPA), U.K standards and US Clinical Laboratory Standards Institute



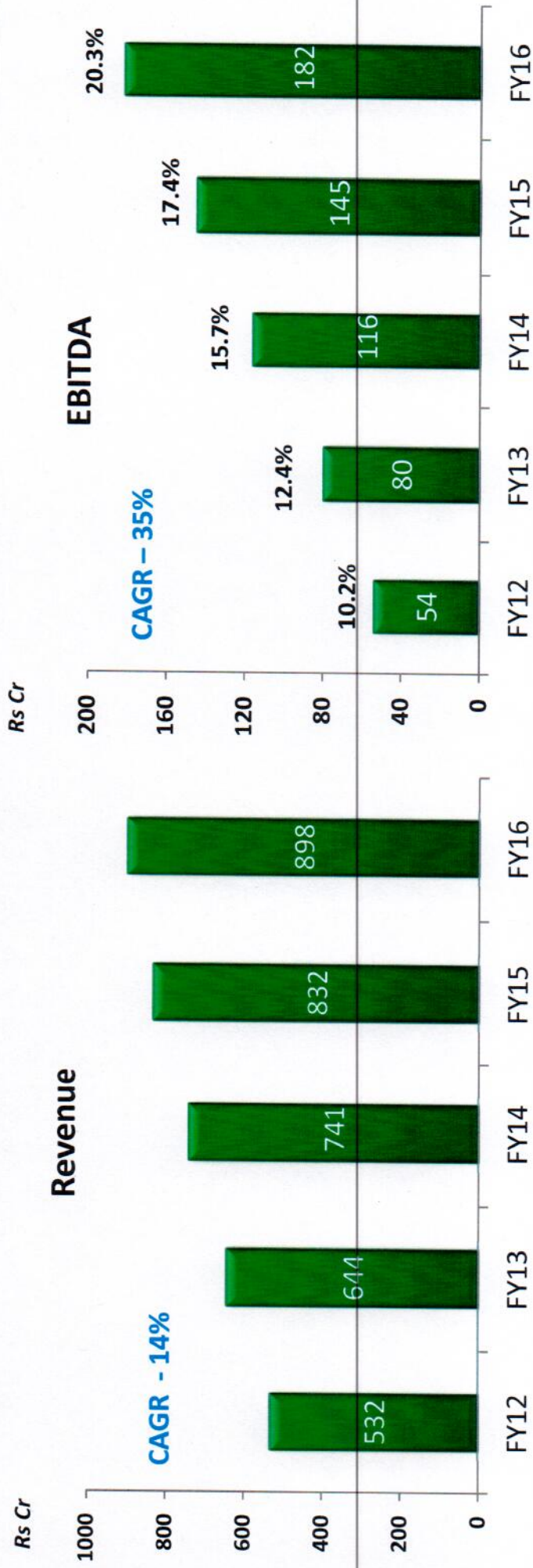
## Logistic Capabilities

- ✓ Over 450 Cities connected nationally & internationally with on-line tracking
- ✓ 24-48 hours transit for International shipments (*per specimen stability norms*)
- ✓ All shipments under temperature controlled conditions





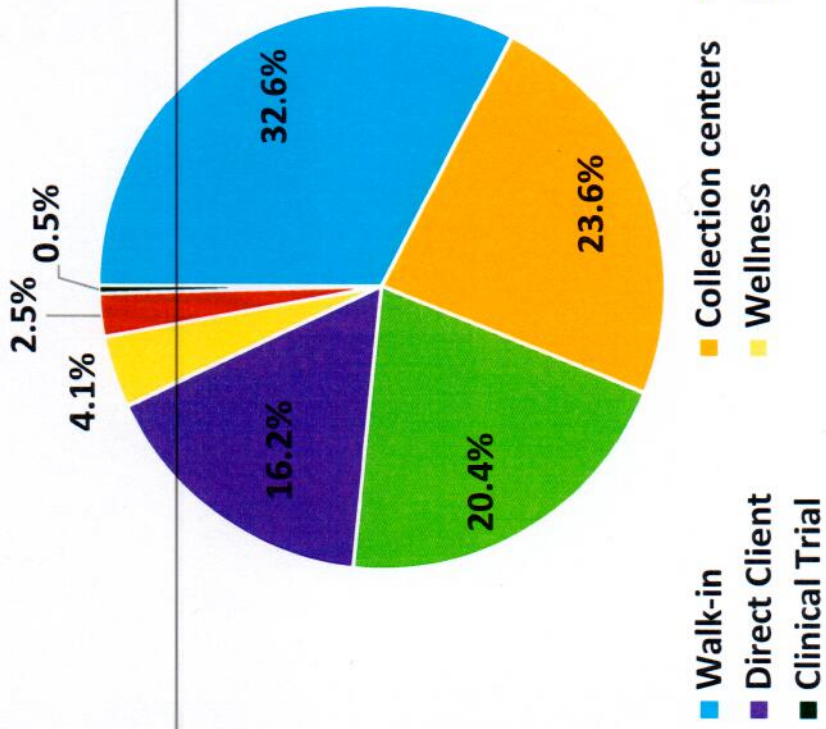
# SRL– Standalone financials



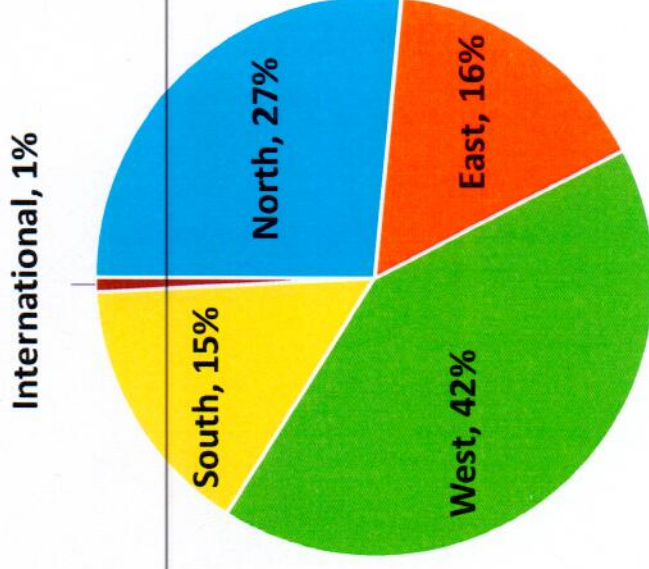
**STRONG VALUE CREATION FOR SRL SHAREHOLDERS**

# SRL Revenue Mix

## Customer Revenue Mix



## Geographical Revenue Mix





# Proposed Composite Scheme

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## PROPOSED DEMERGER

- The board of directors of Fortis Healthcare Limited (Fortis Healthcare) has approved a composite scheme of arrangement and amalgamation which would result in the demerger of the company's diagnostic business, primarily housed in its majority owned subsidiary SRL Limited (SRL), into another majority owned listed subsidiary, Fortis Malar Hospitals Limited (Fortis Malar), followed by SRL being merged into Fortis Malar as part of the same Composite Scheme.
- The Composite Scheme also involves transferring the hospital business of Fortis Malar into Fortis Healthcare by way of slump sale for lump sum consideration and such transfer and demerger shall precede the amalgamation.
- The composite scheme of arrangement and amalgamation will be subject to the various statutory and regulatory approvals.

# Rationale

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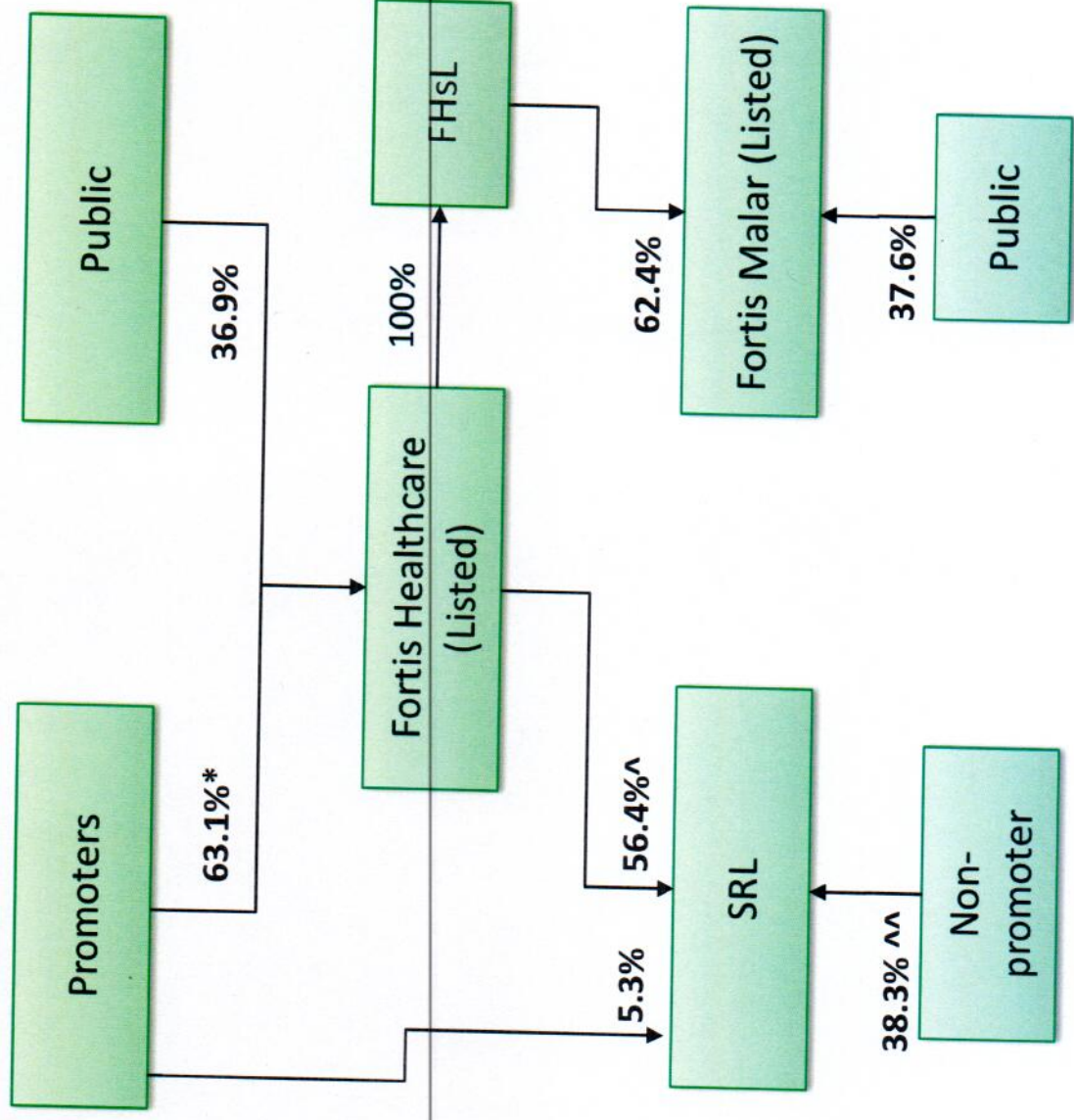
## RATIONALE AND BENEFITS OF THE SCHEME

- Strategically apt for both businesses to be restructured under separate entities to enable them to pursue future growth opportunities in their respective segments
- Both businesses to move forward independently with greater focus and specialization; leveraging their respective capabilities and strong brand presence.
- Simplified organization structure assisting shareholders and investors to better understand and evaluate both businesses independently as investment options
- Value unlocking for shareholders ; potentially can lead to higher value illumination of each of these businesses



# Current Company Structure

- Promoters hold an effective stake of 63.1% in Fortis Healthcare Limited (fully diluted), Public shareholders hold approx. 36.9%.
- Fortis Healthcare Limited holds an effective stake of 56.4% in SRL Limited, 5.3% is with the promoters of Fortis Healthcare and 38.3% is the non-promoter holding.
- Fortis Healthcare Limited (through its 100% subsidiary FHSL) holds 62.4% in Fortis Malar Hospitals Limited, 37.6% is held by public shareholders.



\* Fully diluted shareholding assuming full FCCB conversion  
 ^Fully diluted shareholding assuming all CCPS conversion.  
 ^^ Non-promoter shareholders of SRL include Private Equity shareholders of SRL, Other Financial institution / corporate entity shareholders of SRL



# Composite Scheme of Arrangement

## Step 1 (a)

Transfer of the Hospital Business of Fortis Malar to Fortis Healthcare by way of slump sale. Fortis Malar to retain its existing diagnostic business

## Rationale

To house the hospital business under one entity i.e. Fortis Healthcare

## Consideration

Fortis Healthcare to pay a cash consideration to Fortis Malar of Rs 43 Cr

## Step 1 (b)

Demerger of business undertaking comprising the diagnostic business in Fortis Healthcare (including investments held by Fortis Healthcare in SRL – 56.4% stake) to Fortis Malar

## Rationale

To house the Diagnostic business under one entity i.e. Fortis Malar

## Consideration

Fortis Malar to allot its shares to shareholders of Fortis Healthcare .  
Share entitlement ratio of 0.98 : 1  
(approx. 51.2 Cr no of shares issued)

## Step 2

Merger of SRL into Fortis Malar.  
Name of Fortis Malar shall be changed to SRL Ltd.

## Rationale

To house the entire diagnostic business directly under Fortis Malar

## Consideration

Fortis Malar to allot its shares to shareholders of SRL (excluding itself).  
Share exchange ratio of 10.8 : 1  
(approx. 37.8 Cr no of shares issued)

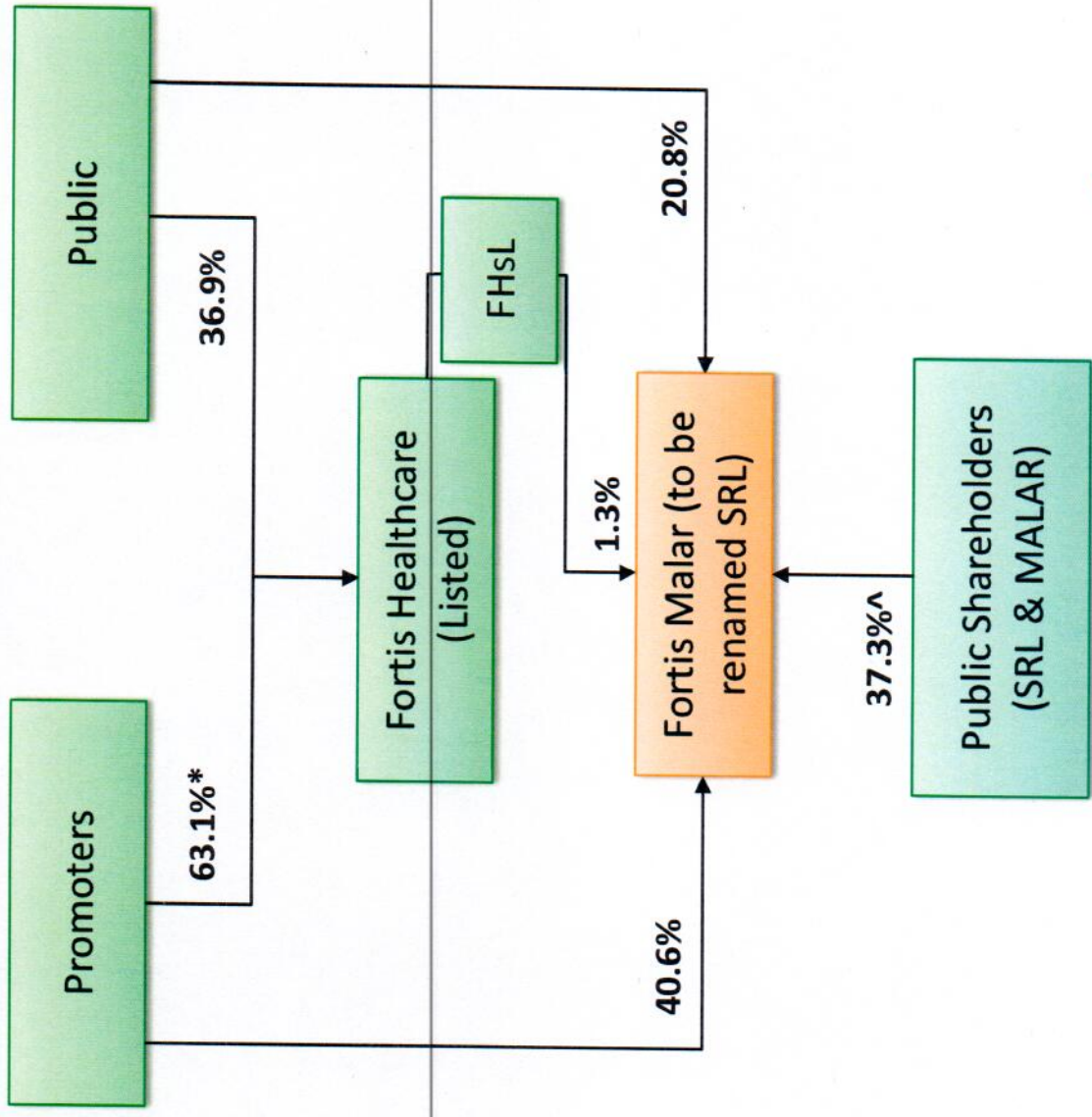
The resultant entity to have expanded equity base of approx 91.0 Cr equity shares of FV Rs 10



# Resultant Structure

Post the effectiveness of Composite Scheme, the shareholding in resultant entity, i.e., Fortis Malar (renamed as SRL) will be as follows:

- Promoters will hold an effective equity stake of 40.6%
- Public shareholders of Fortis to hold 20.8%
- Other public shareholders (SRL & Malar) to hold 37.3%
- FHL through its subsidiary, FHsL, will hold 1.3%



\* Fully diluted shareholding assuming full FCCBs conversion

^Public shareholders of SRL include Private Equity shareholders of SRL, Other Financial institution / corporate entity shareholders of SRL and public shareholders of FMHL

## Key advisors to the transaction

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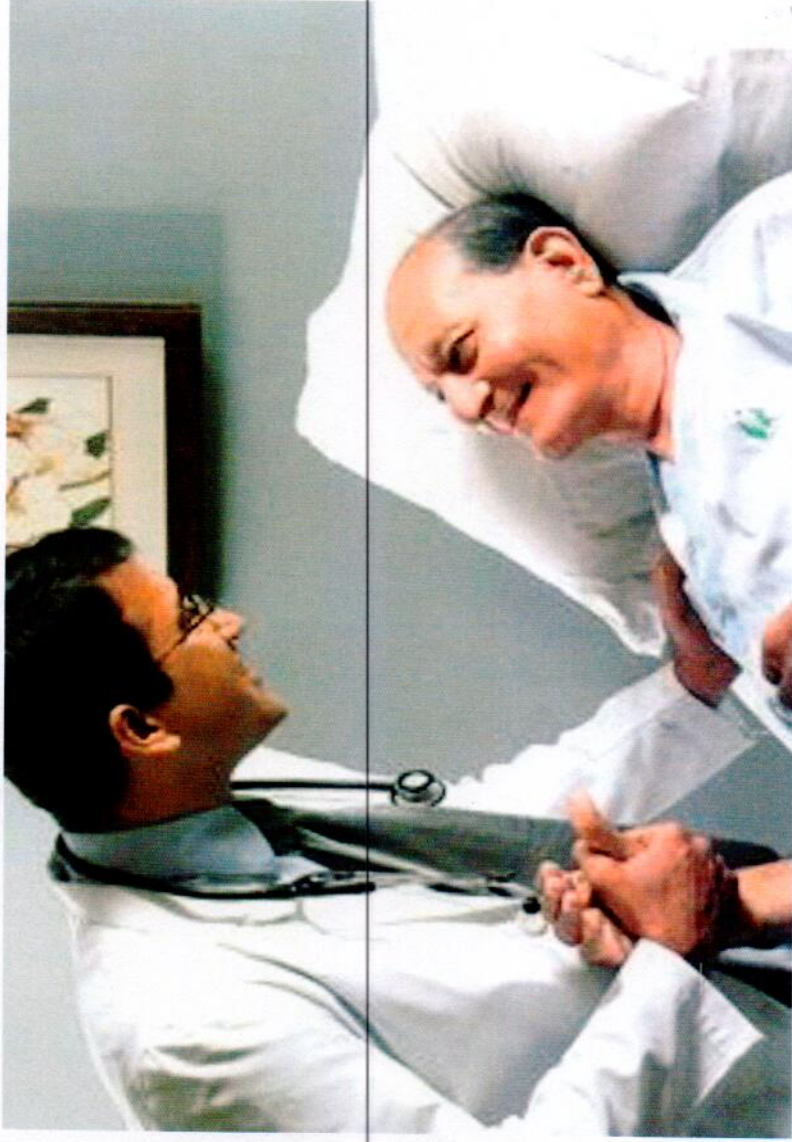
- JM Financial is advisor to Fortis Healthcare on the transaction
- YES Securities (India) Ltd. is advisor to Fortis Malar on regulatory and related requirements for the transaction
- PwC were the advisors on the structuring of the transaction.
- Cyril Amarchand Mangaldas acted as the key legal advisor.
- Price Waterhouse & Co LLP were the valuers to the transaction.





**THANK YOU**

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**Fortis Healthcare Limited**

**August 19, 2016**