Fortis Healthcare Limited
Tower-A, Unitech Business Park, Block-F,
South City 1, Sector – 41, Gurgaon,
Haryana – 122 001 (India)
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Emergency : 105010
Email : secretarial@fortishealthcare.com
Website : www.fortishealthcare.com

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),

This is in continuation to our letter Ref. No. FHL/SEC/STEX/RR/2018-19 dated April 12, 2018 whereby, it was informed that the Board of Directors of Fortis Healthcare Limited ("**the Company**") has received an unsolicited binding offer from Hero Enterprise Investment Office ("**Hero**" or "**Munjals**") and Burman Family Office ("**Burmans**") with a proposal to invest in the Company.

It is hereby informed that the Company today i.e. April 19, 2018, has received a improved binding offer, as attached herewith, from Hero/Munjals and Burmans to invest directly into the Company. As informed earlier, the Board of Directors of the Company is scheduled to meet today i.e. April 19, 2018 to consider all the options.

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.

Thanking you,

Yours faithfully
For **Fortis Healthcare Limited**

RAHUL RANJAN
Digitally signed by RAHUL RANJAN
Date: 2018.04.19 08:26:23 +05'30'

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

Hero Enterprise Investment Office **Burman Family Office**

April 18, 2018

To:
The Board of Directors,
Fortis Healthcare Limited

Dear Directors,

Subject: Improved binding offer to invest INR 1,500 crores directly into Fortis Healthcare Limited ("Company")

1. Please refer to our binding offer made by the representative of the Hero Enterprise Investment Office and the representative of the Burman Family Office (collectively referred to as the "**Investors**" or "**we**" or "**us**") *vide* the offer letter dated 12th April 2018 ("**Offer Letter**"), as per the terms of the Offer Letter (the "**Original Offer**").

2. **Improved Investment Proposal**

   On further reviewing the Company's financial condition from the information available in the public domain, recognizing its urgent need of funds and in order to stabilize the Company's operations, we, the Munjals and the Burmans, are making the following improved **binding offer,** which is even **more simpler, attractive and faster to implement and without any due diligence.** We are now proposing to invest **INR 1,500 crores directly into the Company** on the following terms ("**Improved Offer**"):

   i. We will invest an amount of (i) INR 500 crores through preferential issue of equity shares, and (ii) INR 1,000 crores through preferential issue of warrants; based on the current business and financial position of the Company as reflected in the Company's various public filings, and taking into account information in the public domain. Hence, including the warrant subscription amount, our **upfront investment into the Company will be INR 750 crores** (*i.e.*, INR 500 crores through preferential issue of equity shares plus INR 250 crores being an amount

equivalent to 25% of the consideration for the warrants at the time of allotment of warrants as per SEBI ICDR guidelines).

ii. The above investment shall be made immediately on acceptance of our Improved Offer, without due diligence.

iii. The allotment and pricing for the **preferential issue of equity shares** for INR 500 crores shall be as per SEBI ICDR guidelines or INR 156 per share whichever is higher.

iv. The allotment and pricing for the **preferential issue of warrants** for INR 1,000 crores shall be as per SEBI ICDR guidelines or INR 161.60 per share whichever is higher.

v. Utilization of proceeds from the preferential issue of equity shares for INR 500 crores shall only be for the purposes of payment of employee dues, repayment of loans which have matured and payment to the most pressing creditors and lenders.

vi. For the above investments, which shall be subject to necessary shareholder approvals of the Company and any other regulatory approvals as required, we seek two board seats, given the sizeable investment, and to generally act in the interest of stakeholders. This should not be understood to mean that we are seeking to take over control/ management and / or direct the policy decisions of the Company. We recommend that more independent directors be added to the Board of Directors.

vii. This Improved Offer will be implemented through the signatories and/or their affiliates.

3. This investment will provide the Company the much needed breathing space to explore all corporate finance options, *i.e.,* rights issue, preferential issue, full/partial stake sale in SRL Limited ("**SRL**") and/or raising debt at much better terms. Also, this will enable the Company to explore a combination of all the aforesaid options so as to enhance and maximize shareholder value.

We will support the Company with any further funding requirement for RHT.

4. We understand that some of the private equity investors in SRL have been invested for a long period of time and are looking for an early exit. We will guide the Company to ensure they have a cordial exit at the best value.

5. We believe that there is a compelling reason for our Improved Offer to be put forward to the shareholders for their urgent consideration as it is in the best interest of all the concerned stakeholders. We believe that the Improved Offer is significantly better than any other publicly known options being explored by the Company. The Improved Offer is also a significant enhancement from the Original Offer for the following reasons:

    a. Commitment increased to INR 1,500 crores;
    b. Upfront investment increased to INR 750 crores;
    c. INR 1,000 crores investment comes in at a higher price of INR 161.60 per share;
    d. Waiver of due diligence requirement; and
    e. We will support the Company with any further funding requirement for RHT.

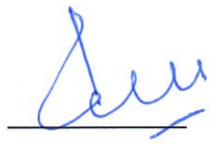
6. This Improved Offer (being an improvement to the Original Offer) replaces the Original Offer in its entirety, and shall remain valid for a period of 5 working days from the date of this letter, or as otherwise extended by us in writing ("**Validity Period**"). If you accept this Improved Offer, we expect that you would send the requisite notices for shareholder approval within a reasonable period of time.

7. Kindly note that in the event the Company permits any other party to conduct a due diligence during the Validity Period, we shall also seek to carry out a due diligence and this Improved Offer shall then be subject to such due diligence to our satisfaction.

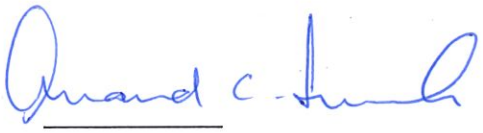
8. Munjals and Burmans would like to reiterate that we are long term investors who have a keen interest and affinity towards the Indian healthcare sector and our Improved Offer is a testimony to the same. We intend to support and guide the management, leveraging on our past experience, to stabilize and turnaround the Company which will in turn benefit all the stakeholders of the Company.

We will remain available for any details and clarifications that you may need, and for further meetings/discussions on this matter. We are fully committed to moving ahead with the Improved Offer and also look forward to hearing back from you on the acceptance of this Improved Offer and next steps.

Yours sincerely,



Mr. Sunil Kant Munjal
Designated Partner
Global Ivy Ventures LLP
(Part of Hero Enterprise Investment Office)



Dr. Anand C. Burman
Authorized Signatory
M. B. Finmart Pvt. Ltd., Puran Associates Pvt. Ltd., V I C Enterprises Pvt. Ltd., Milky Investment & Trading Co. Ltd. and Affiliates
(Part of Burman Family Office)

Copy to:

Rahul Ranjan
Company Secretary, Fortis Healthcare Limited