

**Fortis Healthcare Limited**

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FHL/SEC/STEX/RR/2018-19

April 12, 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: Regulation 30 Update

Dear Sir(s),

It is herewith informed to you that Fortis Healthcare Limited (“**the Company**”) today i.e. April 12, 2018 has received an unsolicited binding offer from Hero Enterprise Investment Office (“**Hero**” or “**Munjals**”) and Burman Family Office (“**Burmans**”) with a proposal to invest INR 1,250 crores into the Company through Preferential Allotment Route (i.e. Rs. 500 Crore binding offer immediately and Rs. 750 Crore post diligence to be completed within three weeks), subject to certain conditions as mentioned in the offer letter. The said proposal is under evaluation by the Company and we will keep the stock exchanges informed accordingly.

Please find enclosed the afore-mentioned proposal as received from Hero/Munjals and Burmans.

You are kindly requested to take the same on record.

Thanking you,
Yours faithfully

For Fortis Healthcare Limited

RAHUL Digitally signed by
RAHUL RANJAN
RANJAN Date: 2018.04.12
19:47:28 +05'30'

**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

April 12, 2018

To:
The Board of Directors,
Fortis Healthcare Limited

Dear Directors,

Subject: Munjals and Burmans' proposal to invest INR 1,250 crores directly into Fortis Healthcare

Introduction:

1. Our group entities are shareholders of Fortis Healthcare Limited ("**Company**"), holding approximately 3% of the shares of the Company. The first signatory represents the Hero Enterprise Investment Office ("**Hero**" or "**Munjals**"). The second signatory represents the Burman Family Office ("**Burmans**"). Hero and Burmans are hereafter collectively referred to as the "**Investors**" or "**we**" or "**us**".
2. As you may be aware, one of us, viz., Hero, being interested in exploring the possibility of a business/M&A transaction with the Company, had entered into a non-disclosure agreement dated July 19, 2017 with the Company. Pursuant to the NDA, discussions were held between the management of the Company and representatives of Hero to take the matter forward. Unfortunately, these discussions could not fructify as there was an impasse which arose on account of the management's insistence that Hero should state the commercials, including a price, before any due diligence could commence, and Hero insisted that unless a due diligence was permitted, no commercials, including a price, could be offered. This resulted in a stalemate by the end of July 2017, and hence the discussions did not progress further at that stage. In the course of the aforesaid discussions, the only information shared with Hero was information that was already available in the public domain, which was considered to be inadequate, by itself, to state the commercials or a price. This position is unchanged. Both Hero and Burmans have thereafter independently acquired and hold shares of the Company (including through affiliates / group entities).
3. As the Company's management had highlighted in the latest earnings call, we understand that the current issues have led to credit rating downgrades by ICRA and CARE Ratings thereby increasing the borrowing costs. Also, banks have been trying to reduce their loan exposure to the Company. This has left the Company with less than INR 70 crores of liquid cash. Hence, given the stress on the cash flows, we believe that the Company requires immediate external funding and urgent clarity about its future in order for it to stabilize itself.
4. Given the above, Hero along with Burmans approached the Company together for the first time in the last week of March 2018 and met with the management of the Company, to discuss the possibility of a business/M&A transaction with the Company. However, these discussions were unsuccessful. We were informed by the management that the Company did not have the time to offer any due diligence opportunity, and the discussions ended with no information being given to us.



5. In these circumstances, as shareholders, we are concerned regarding the Company's future, as it presently finds itself at a very critical juncture in its existence. While we have strong faith in the potential of the Company, the various issues faced by the Company over the last many months are a cause of grave concern.

A clear vision to meet Fortis' needs via our Offer

6. In this context, and to address the immediate funding needs of the Company as well as to develop its long-term value, we are making a **binding offer** to invest an amount of INR 1,250 crores **directly in the Company** subject to the following ("**Offer**"):
- i. Part A – We are investing an amount of INR 500 crores, 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, without doing any due diligence. This amount will be invested in the Company subject to:
 - a. Necessary shareholder approvals from the Company and any other regulatory approvals required;
 - b. Allotment & pricing shall be as per SEBI ICDR guidelines for preferential issues or INR 156 per share whichever is higher;
 - c. Utilization of proceeds from this funding shall only be for the purposes of payment of employee dues, repayment of loans which have matured and payment to pressing creditors; and
 - d. In order to monitor the above, one board seat shall be given to the Investors.
 - ii. Part B – We are investing a further amount of INR 750 crores, subject to due diligence to our satisfaction, which we propose to complete in a short period of 3 weeks. The value per share shall be subject to applicable law and the SEBI ICDR guidelines for preferential issues. We would expect specific rights commensurate with such investment.

Though the acceptance of our Offer at this stage will imply acceptance to Part A, Part B would be agreed to and undertaken as soon as the aforesaid steps are completed and the details relating to Part B are discussed and finalized. This Offer will be implemented through the signatories or their affiliates.

The Company and All Stakeholders: key beneficiaries

7. We request that you place our Offer to the shareholders as it has merits for all the stakeholders, which are as follows:
- i. Each of the Investors has strong pedigree and background, as more particularly elaborated in **Annexure A**, which would give confidence to all the stakeholders including the shareholders, the patients, their attendants, the community and public



at large in addition to the lenders, suppliers, doctors, medical and non-medical staff, etc.;

- ii. Our Offer is simple and does not envisage any changes to the current structure, operations and assets of the Company, and can be implemented in a fairly short period of time and will allow the Company to focus on stabilizing operations and on growth;
- iii. The proposed infusion of funds not only addresses the immediate liquidity needs of the Company, but also addresses the Company's long-term growth requirements.

Conclusion: Simple, Secure and Swift

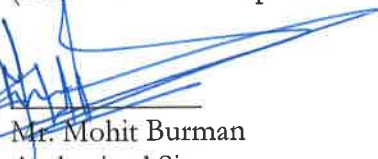
- 8. For the reasons mentioned above, we strongly believe that our Offer is not only timely in the current circumstances but is also in the best interest of the Company and all concerned stakeholders. In particular, Part A of our Offer is almost immediately implementable, and will in fact provide the Company with much needed short-term stability, and has no downside whatsoever for the Company. For the reasons highlighted above, we also believe that the long-term value accretion for all stakeholders will be significantly higher if the Board and shareholders were to favourably consider the Offer proposed by us.
- 9. Given the fact that our above Offer is coupled with an immediate and upfront infusion of INR 500 crores, which will provide immediate relief to the Company without causing any disruption, and also pave the way for long-term value creation, we believe that our offer deserves serious and urgent consideration.

We will remain available for any details and clarifications that you need, and for further meetings/discussions on this matter. We are fully committed to moving ahead with the proposed transaction in a speedy and efficient manner and look forward to hearing back from you.

Yours sincerely,



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



Mr. Mohit 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

Annexure A**Hero Enterprise Investment Office**

Hero Enterprise is promoted by Mr. Sunil Kant Munjal and his family members. Mr. Sunil Kant Munjal is a second generation member of the Munjal Family and is a founder promoter of the Hero Group, India's premier automotive manufacturing group that has evolved from being the world's largest bicycle-maker to the largest two-wheeler maker.

Mr. Sunil Kant Munjal, Chairman of Hero Enterprise, is a business promoter, institution builder, a social entrepreneur, an angel investor and a thought leader. He is the president of the Dayanand Medical College and Hospital, Ludhiana, which is pioneering affordable high quality healthcare in India, and is now among the leading multi-specialty hospitals in the country with more than 1,500 beds. He has been honored by his name being inscribed on the Royal Society of Medicine's Wall of Honour at London in recognition of his contribution to Healthcare.

Besides promoting many businesses, several of which are leading companies, Mr. Munjal has also founded the BML Munjal University, a premier higher education institution that is reimagining the way we look at knowledge delivery and student development. He has sat on and headed various government, private sector and educational boards and councils.

The reason for continued success and repute for the Hero Group and its allied businesses is the basic value system followed by all promoters, stakeholders, employees and partners – the continued focus on relationship building and management. Trust, support and nurturing relationship is an integral part of the grooming of each employee as well as partners and vendors.

The promoters of Hero Enterprise have a strongly embedded sense of welfare and community. Over several decades, they have set up and sustained projects aimed at skill development, inclusive growth and livelihood enhancement. They've promoted and nurtured schools, colleges and hospitals, as well as vocational & adult education centres; and these are impacting and shaping the lives of several thousand families across North India. Mr. Sunil Kant Munjal and his family have also set up Serendipity Arts Foundation, a trust that supports artisans and artists and upgrades traditional skills and crafts that are in danger of fading away into oblivion.



Burman Family Office

The Burman family is the promoter of Dabur India Ltd (approximately INR 9,000 crore revenue and market capitalization of INR 60,000 crore), one of the oldest and leading consumer products makers in India.

Dabur was started in 1884 in Kolkata by Dr S. K. Burman. The company has, over the years, grown from being an Ayurvedic medicines maker to a transnational FMCG Company with a portfolio that covers Healthcare, Personal Care, Oral Care, Home Care and Packaged juices.

The Burman family handed over management control of their family enterprise Dabur India Ltd. to a team of professionals in 1998 and has since been investing their personal wealth in various sectors.

Dr. Anand Burman (Non-Executive Chairman, Dabur India Ltd.) started Dabur Pharma which was incubated under Dabur India Ltd and then spun off into an independent listed entity thereby giving all shareholders a profitable exit. The family has a track record of making investments in listed entities like Punjab Tractors Ltd & Mangalore Chemicals and Fertilizers Limited and then exiting them profitably whilst creating value for minority shareholders.

The family believes in being a long term, active investor with a focus on investments in the areas of Healthcare, Financial Services, Hospitality, Education, and Media.

