

March 15, 2018

Mr. Khushro A. Bulsara-  
Senior General Manager  
Listing Compliance & Legal Regulatory  
**BSE Limited**  
Corporate Relations Department  
P.J. Towers, Dalal Street  
Mumbai - 400 001  
**BSE Scrip Code: 532648**

Mr. Avinash Kharkar  
AVP - Listing Compliance  
**National Stock Exchange of India Limited**  
Exchange Plaza,  
Plot no. C/1, G Block,  
Bandra - Kurla Complex, Bandra (E)  
Mumbai - 400 051  
**NSE Symbol: YESBANK**

Dear Sir,

Re.: **Invocation of Pledge over Shares of Fortis Healthcare Limited ("FHL") by YES Bank Limited (the 'Bank')**

This has reference to our earlier communication dated March 13, 2018 on the captioned subject pursuant to Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. In this regard, we would like further submit as under:

1. The Bank has invoked the shares of FHL, pledged by Fortis Healthcare Holdings Private Limited, on February 16, 2018. The intent of the Bank was to immediately sell the shares, by way of a block deal. Unfortunately, it did not materialize immediately, as the potential buyer was taking more time to complete its due diligence.
2. The Bank gave an intimation/disclosure to Stock Exchanges w.r.t. the aforesaid event on March 13, 2018, as the Bank was of the bonafide belief that:
  - a. Invocation of pledged shares by the Bank, was not considered as 'acquisition of shares', since the shares are invoked for the purpose of selling the same and recovering the outstanding dues / loans. The Bank does not have any intention to hold the shares and exercise any rights associated therewith, except for recovery of its outstanding dues / loans. Since the shares are in dematerialised form, the Bank is required to take the shares in its DP (*thereby making it the beneficial owner of those shares*), without which it is not possible for the Bank to sell the shares otherwise. This is not the case, when shares are in physical form, where Bank is able to invoke and sell the pledged shares directly to any third party, without requiring it to first transfer the same in its own name. This dichotomy may kindly be appreciated.
  - b. Further, the Bank was under an impression that in terms of the proviso to Regulation 29(4) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011



("Takeover Regulations"), holding of shares on invocation of pledged shares by it (*being a Scheduled Commercial Bank*) in its ordinary course of business, was exempt from the Takeover Regulations, and, hence, was not required to make disclosures under the said Regulations. We would like to draw your kind attention to the said proviso to Regulation 29(4) of Takeover Regulations, which completely exempts Scheduled Commercial Bank and Public Financial Institution from the purview of the entire Takeover Regulations.

3. However, the Bank subsequently realised that other lender(s) / security trustee, have made disclosures to Stock Exchanges under Regulation 29(1) of the Takeover Regulations, with respect to acquisition of shares pledged to them. Since, the Bank is also on the same footing as these institutions as far as pledge of shares are concerned, the Bank made the said disclosure to Stock Exchanges about the acquisition of shares of FHL, as a prudent measure and to ensure equal disclosures are made in the public domain, for the benefit of stakeholders.

Kindly pardon us for the delay in reporting. Henceforth, there will not be any such omission or delay in reporting on our part, as we have put in place more robust systems and processes.

Thanking you

Yours faithfully,  
For YES Bank Limited

  
Shivanand Shettigar  
Company Secretary



**SEARCHABLE  
FORMAT**

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Company Secretary