

MESSAGE FROM THE CHAIRMAN

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Ravi Rajagopal



Dear Shareholders,

I write to you as India along with most other countries is in the grip of the COVID 19 pandemic that has resulted in a huge loss of lives, afflicted countless more, and caused immense hardship, both economic and physical. Our thoughts and prayers are with those families who have lost loved ones and those who have been affected in many ways by the virus.

I believe that despite all the challenges, the healthcare sector in India has shown immense unity and acted collectively to manage the pandemic. There is also greater acceptance that both public and private healthcare sectors need to work closely together to ensure better facilitation of healthcare in the country. The doctors, nurses, paramedics, and technical staff in your Company have been working tirelessly, attending to infected patients, often living in the hospital itself, putting themselves and their families at risk. Your Company has established a 360-degree operational system for both patients and its staff. A dedicated COVID taskforce has been set up to monitor the situation and separate wards have been earmarked at your hospitals for COVID management. Over 1,000 beds have been made available to the Government and in addition, home care packages for patients and e-consultation for patients have been launched. We have contributed ` 5.90 crores to the PM CARES fund. I thank every member of the Fortis family – doctors, nurses, and frontline staff for their hard work and commitment to the organization specially during the COVID crisis.

The strategic partnership of IHH Healthcare Berhad (IHH), one of the largest healthcare groups in the world by market capitalisation, with your Company has been a tremendous blessing. It has spurred a major transformational journey in your Company that began a year ago. The newly reconstituted Board has developed a bold strategy to curate leading practices in patient centricity, clinical excellence and quality healthcare delivery. Your board has successfully ensured significant strengthening in processes and controls across the organization such that a rules-based decision making is in place. A robust and restructured audit program has been implemented to enhance the organization's governance mechanism. Your Board



has also been ensuring that the IHH capital infusion is put to good use. It has overseen the successful 'RHT Health Trust' buyback and has helped put in place a new management with vast industry experience. We have been fortunate to have with us Dr. Ashutosh Raghuvanshi, who joined as Managing Director and CEO in March last year. He brings with him 27 years of experience as a clinician and hospital administrator. Bolstering senior management, your Company now has a new CFO, Mr. Vivek Kumar Goyal. The most recent induction has been that of the Group COO, Mr. Anil Vinayak, a seasoned professional with over 8 years' experience in the healthcare sector.

Dr Ashutosh Raghuvanshi, a Paediatric Cardiac Surgeon by training, has led the streamlining of all business operations, improving patient care and service, bringing forward clinical excellence, reorienting the operating model and layering the existing structures to ensure simplification and transparency in processes and procedures. From an operational perspective, Dr Raghuvanshi has been instrumental in rolling out the new Group Authority Matrix (GAM) for effective and quick approvals. The OneFortis Hospital Information System has been implemented in 20 hospitals. Better controls, transparency and discipline have been ensured in various business processes and an online Business Intelligence dashboard project has been initiated. Under Dr Raghuvanshi's leadership, the clinical governance framework across your Company

has been revamped and rejuvenated. New clinical infrastructure such as the Oncology block at Fortis BG Road, Bengaluru and the Transplant block at Fortis Noida, NCR have been launched.

The association with IHH has been extremely valuable as the two companies are working closely together in bringing best global practices, improved standards of patient care and advanced technology across the medical organization, procurement and other processes. For instance, your Company procured state-of-the-art Cath Labs for several of its hospitals at pre-negotiated rates, in collaboration with IHH. The clinical team at Fortis also received valuable inputs from their counterparts in Singapore and Malaysia with regard to management of COVID patients. The benefit of the interaction has been mutual as IHH too has gained by learning about some of the clinical governance best practices of your Company. The Drugs & Consumables rate contract for all IHH entities across India has been negotiated effectively, leading to substantial cost savings. Your Company's IT team made an information technology assessment of IHH entities in India and infrastructure assessment of IHH entities in Singapore. To sum up, the partnership has enabled us to leverage clinical expertise and create an even more powerful brand with a very credible Asian healthcare service provider.

The mandatory open offer from Northern TK Ventures Pte Ltd, a subsidiary of IHH Healthcare Berhad to the public shareholders of Fortis for the acquisition of up to 26% shareholding continues to await the outcomes of proceedings in the Supreme Court. This followed Judgment of the Hon'ble Supreme Court in November 2019 wherein the Court issued suo-moto contempt notice to, among others, Fortis in regard to alleged violation of the order dated 14th December 2018. On 28th January 2020, your Company has filed response to the suo- moto contempt notice. Northern TK Ventures Pte Ltd, SEBI and a retail shareholder have also invoked the jurisdiction of Hon'ble Supreme Court of India for allowing the mandatory open offer to proceed. The matter is sub-judice and hearings are yet to take place. We remain firm that all the processes related to the open offer were conducted in a fair and transparent manner. All relevant regulatory, shareholder and corporate approvals were obtained, and due

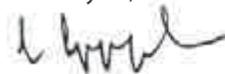
disclosures were made to the public shareholders and regulatory authorities. We had the best interests of the Company and its shareholders in mind. We continue to take appropriate measures and legal recourse in critical matters and have been consistently in dialogue with relevant authorities to ensure their investigations into several matters receive our full and unstinted cooperation.

Looking forward to the current fiscal year, we will focus on geographies where we can build further on our strengths – NCR, Mumbai, Bengaluru, and Kolkata. We will evaluate our overall portfolio with a view to transform and turn-around currently under-performing hospitals having potential, while growing and investing in high-performing facilities, and evaluating strategies regarding low potential facilities.

We believe in close collaboration with the Government – we partnered with Gurugram administration and other private healthcare players to help set up a dedicated COVID hospital at Manesar, Gurugram. Your Company helped provide additional equipment, set up protocols and processes, provided support for procurement and additional manpower. We are also participating in a national CSIR & Institute of Genomics and Integrative Biology (IGIB) initiated project on COVID-19. In Mumbai, your Company is helping the Brihanmumbai Municipal Corporation to create required infrastructure to manage patients. We are proactively working with industry associations such as CII, NATHEALTH and FICCI, with the objective of increasing the industry branding for Fortis as well as for deeper engagement building synergies with our stakeholders.

I would like to conclude by assuring you that the year ahead, while seemingly challenging, will give us ample opportunities to further build on public and Government trust. The private sector will continue to be the mainstay of hospital care in India and the need of the hour is to work jointly with relevant stakeholders to strengthen access to quality health services in India. I thank you once again for your commitment to Fortis and wish everyone the best in this year.

Thank you,



Ravi Rajagopal
Chairman