



“Fortis Healthcare Investor Update Conference Call”

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MANAGEMENT:

MR. RAVI RAJAGOPAL – MEMBER OF THE BOARD
MR. BHAVDEEP SINGH – CHIEF EXECUTIVE OFFICER,
FORTIS HEALTHCARE LIMITED

Moderator: Ladies and Gentlemen, Good day and Welcome to the Conference Call of Fortis Healthcare Limited. As a reminder, all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' and then '0' on your touchtone telephone. I now hand the conference over to Mr. Bhavdeep Singh - CEO of Fortis Healthcare. Thank you and over to you, sir.

Bhavdeep Singh: Good afternoon. Thank you very much for joining on this call. We wanted to have an opportunity, as you are all aware, there has been a lot happening at Fortis Healthcare over the last few months and certainly we have had different opportunities to interact with some of you, many of you at different times to update you all on what is happening in an effort to keep the process as transparent as possible.

With that said, there are two or three obviously significant developments taking place right now. As you all know by now we rolled out, yesterday we communicated to the market and to the general public the new process that we rolled out for the investment activity IN Fortis Healthcare. So you all know that this is round three, we have met before with a couple of clients and I can tell you that as an organization we look forward to closing this process quickly. And I think the process has been outlined now, again Ravi will talk about that more in a couple of minutes, but the intent was, and we believe what has been accomplished is a process that should be fair, transparent and yet time bound, because that is important for the business as we need to get back to taking care of patients and doctors and nurses to continue to move the healthcare agenda forward.

So, with that we also had a change in our Board of Directors, as you all are aware of that. We have had four new Board Members joined, Mr. Rohit Bhasin joined us six weeks back, more recently in the last two, three weeks Mr. Ravi Rajagopal has joined, Mr. Indrajit Banerjee has joined, and Ms. Suvalaxmi Chakraborty has also joined. We have four new Board Members and we have been engaging with our board over the last two, three weeks and discussing and working out the various issues and challenges at hand.

With that in mind we wanted to take the opportunity today to have one of our board members to share his thoughts with all of you. You have heard from us many times, but we thought that with all the changes taking place, with all the key activities taking place over the next few weeks we thought this was a good opportunity to have Ravi representing the rest of the board, share his thoughts, his views, the board views, the board's thoughts on where we are today and the journey that lies ahead. And at the same time give all of you the opportunity to ask any questions or share your views, comments, as well.

So, with that I will pass it over to Ravi.

Ravi Rajagopal: Thanks, Bhavdeep. This is Ravi Rajagopal. Welcome to you all. Good evening, Good afternoon, Good morning. I would just like to give a brief introduction about myself. I am based in London

where I have been there for the last 20-odd years. I was working with Diageo, drinks company in various senior roles, and my last six years was as global head of M&A. I took retirement in 2015 and since I have been leading a plural life. I am also on the board of Vedanta PLC. So at the moment in India both Vedanta and Fortis are in the news for all the wrong reasons.

So, it has been quite a interesting time since I came on the board. And of course, I speak on behalf of my four colleagues on the board. It has been four weeks not and the three of us, our nomination was proposed by a few of the global fund investors. And of course, in accepting my nomination to be proposed little did I realize what I was getting into. So, I think the best thing is to say that it has been interesting time in the last four weeks.

On a more serious note, you are all aware that we now have practically a new board, three of us for four weeks, a fourth member for six weeks. And on Monday we had our first board meeting as a new board. You are also aware that the company has been going through a fair amount of turbulence, given all the noise about various issues including audit, investigation, shareholder discontent, anxiety amongst staff being the most important of all. And again, we also are aware that the shareholders have more so in the recent past written to the board expressing concerns on the previous bidding process and also urged to the board to bring in better transparency and governance in everything they do.

And keeping all these in mind and taking advantage of the fact that we now have pretty much a new revamped board, we are committed to making sure that whatever we do we make sure that it is in all about transparency, fairness and good governance that will guide our decisions. And hopefully the way we go about it, that should be apparent to all of you.

So the purpose of this call really is, apart from introducing myself and speaking on behalf of the new board, is to make this commitment to you and hopefully in the coming weeks and months you will see more evidence of that, therefore have less cause for concern. That is really the main message, purpose of this call, it is not to get into any specifics in terms of data or numbers or issues, but more messaging around these key parts.

Now, having said that, in line with what I have just stated, you are aware that yesterday we put out a fairly detailed announcement on the process of a new and refreshed bidding procedure which has gone out and the initial responses what the company has received directly both from analysts as well as investors has been very positive. I can also add that during the course of today we have held a call with the current three bidders who were in the fray before and whom we are hoping will come back into the process by tomorrow, which is the first due date. And we have had some very conversations with them. Our aim being to make sure that they have understood the process, to make sure that they will come back in a new invigorated form and hopefully all these should lead to more robust outcome. And the point we have made consistently to all these three parties has been that the outcome is one thing, but what we are putting ourselves to the test in the next few weeks is that you will see that the processes by which we run this new bidding procedure is something that you will be most happy with.

We also have the two financial advisors to the board who are present on these calls, who remain the same as before, that is Standard Chartered and Arpwood. So that was one.

Second is, I think a few hours back we have sent another notice to the stock exchange where we are aiming to have the account tabled on June 11th to the board, by which time we are hoping to bring to conclusion all the pending issues we have now. And if we do meet that timeline it marries well with the bidding timeline itself.

And lastly, I think given the fact that the management, and therefore the employees as well, have been distracted in the recent month, we are working with the management to make sure that the focus goes back on the day-to-day business, goes back into building back the credibility with all our external interfaces, including banks, vendors and our people. We have begun to address also the short-term liquidity needs and we are hoping in the next few days we will arrive at certain solutions that will prevent the overhang of the day to day what has been there till now.

So these were the key messages that I wanted to convey to you. But as I said earlier, it is more about introducing ourselves, opening up this channel of communication which I hope will be a periodic one where you will feel that there is an active engagement process that is going on, especially as we go through the next few weeks that could be quite eventful for the company. And we are hoping, at the end of all of this we hope to have the company in a much better and strong footing, both in terms of short-term as well as its longer-term situation.

So, with that, let me just pause and open it up for questions. Thank you.

Moderator: Thank you. Ladies and Gentlemen, we will now begin the question-and-answer session. We have the first question from the line of Adi Desai from York Capital. Please go ahead.

Adi Desai: I just had three questions, again, related to the process and the announcements you have made in last few days. On the announcement today, which was effectively delaying the consideration of earnings from today to the 11th and it is mentioned you considered some internal investigations. I mean, could you explain a little bit more, is that basically so that we can study findings

Bhavdeep Singh: Adi, your question is not audible, can you please repeat your question please.

Adi Desai: I guess, my first question was on the delay of earnings from today to June 11th. And other thing was, it was to consider the investigation, so could you just explain that, is it for our auditors to study that and give us a clean audited opinion or what is the main reason for delay?

Bhavdeep Singh: Adi, as we said in the announcement today, the internal investigations are making its way through. We had hoped it would have concluded by now but clearly it has not which has necessitated pushing the deadline back to June 11th. To your point about is it enabled Deloitte to give a clean set of accounts, that I cannot answer, I wish I could, but you can just imagine the

delay or this extra time will be used by all concerns to make sure that whatever is the outcome of these enquiries is suitably reflected in the accounts in terms of opinions or judgments and so on and so forth. So that is how it is going to be taken up. What it will contain, how it is going to look like, frankly at this stage I have no idea, but I am just hoping that it is not going to be entirely surprising compared to what we know so far.

Adi Desai: I guess my second question, again on the process, you obviously mentioned deadline is June 14th, what will be the approximate timelines to evaluate these bids and at what point do we get a board recommendation on that and the process after?

Bhavdeep Singh: I think our intent is within two days of that final submission of bids, that is the plan.

Adi Desai: And finally, you mentioned on liquidity position for the company, would it be effectively trying to speak to banks on the funding sources to get some short-term liquidity for the company?

Bhavdeep Singh: Yes, that is exactly what we are doing, and we are hoping to arrive at some solutions which will provide some breathing space as we go through the next few weeks. And hopefully at least for the next two months.

Moderator: Thank you. Our next question is from the line of Rohan Dalal from B&K Securities. Please go ahead.

Rohal Dalal: I just had one question really about the filing on the BSE about the Escorts case and the Rs. 503 crores that is now owed. I just wanted to know how exactly that would be dealt with and what kind of funding mechanism would be used out there and what has been thought to be dealt with? Because I am pretty sure that internal accruals are quite tight right now.

Bhavdeep Singh: So, as you probably know, this is something that we have been discussing for last 2 - 2.5 years or so. The case originates back to the early 90s, this is literally from 25-plus years in terms of the timeline that we are discussing here. Look, we believe we have a very, very solid case, we are in deliberation, we have meetings with our lawyers, but in terms of data and in terms of what we have, documentation, etc., and we have submitted our proposal around the fact there is no merit or anything even remotely close to this kind of number. Now what happened in 1995, 1996 I cannot vouch for, but we certainly what has happened over a period of time that we have been here. So, I am not dismissing it but at the same time I can also tell you that we believe we are on a very solid ground and we do not anticipating any payout or anything of that magnitude at all. This is exactly where it goes, we will find out, but that is how I would position if announced.

Moderator: Thank you. Our next question is from the line of Shyam Srinivasan from Goldman Sachs. Please go ahead.

Shyam Srinivasan: Just in terms of board constitution now, is there a plan to increase people or how should we think about the board constitution? Thank you.

Ravi Rajagopal: I think for the moment we have got far bigger concerns to address than the strength of the board. I think we feel four is good enough at this stage, it is more of the management that needs support than enlarging the board. So there are no plans at this stage. And we feel that addresses current needs.

Moderator: Thank you. Ladies and Gentlemen, as there are no further questions from the participants, I would like to hand over the conference to Bhavdeep Singh for closing comments.

Bhavdeep Singh: Thank you very much. Thank you all for joining the call. We appreciate all of you taking time today to share the update with you. With that said, as Mr. Rajagopal mentioned earlier, we will stay in touch, we will stay connected, we will meet shortly again. There is lots happened in the next two, three weeks and we will certainly keep you updated and appreciate all the support that you have given us as we go through this period of time. So, thank you very much. Have a good rest of the day. Have a good evening. Good morning. Thank you.

Moderator: Thank you very much, sir. Ladies and Gentlemen, on behalf of Fortis Healthcare, that concludes this conference. Thank you for joining us. You may now disconnect your lines.