



## FORTIS HEALTHCARE LIMITED

Registered Office: Escorts Heart Institute And Research Centre, Okhla Road, New Delhi-110025

### NOTICE

**Notice** is hereby given that the **Sixteenth Annual General Meeting** of **Fortis Healthcare Limited** will be held on **Saturday, 29th September, 2012** at **11.30 A.M.** at **NCUI Convention Centre, 3, Khel Gaon Marg, New Delhi - 110016**, to transact the following business:

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2012 and the Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a director in place of Mr. Gurcharan Das, who is liable to retire by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Mr. Sunil Godhwani, who is liable to retire by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Justice S S Sodhi, who is liable to retire by rotation and who has not offered himself for re-appointment.
5. To re-appoint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. M/s S.R. Batliboi & Co., Chartered Accountants (FRN 301003E), retiring Auditors, are eligible for re-appointment.

#### SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:  
“RESOLVED THAT the vacancy caused by the retirement by rotation of Justice S S Sodhi, and, who has not offered himself for re-appointment, be not filled by the Company for the time being.”
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:  
“RESOLVED THAT Ms. Joji Sekhon Gill who was appointed as an Additional Director of the Company w.e.f. May 28, 2012 and who holds office pursuant to Section 260 of the Companies Act, 1956 (hereinafter referred to as “the Act”) upto the date of this Annual General Meeting and in respect of whom the Company has received a Notice under Section 257 of the Act, in writing, proposing her candidature for the office of

director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

“RESOLVED FURTHER THAT the Directors and the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, things as may be deemed necessary, to give effect to the foregoing resolution.”

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT Mr. Pradeep Ratilal Raniga, who was appointed as an Additional Director of the Company w.e.f. May 28, 2012 and who holds office pursuant to Section 260 of the Companies Act, 1956 (hereinafter referred to as “the Act”) upto the date of this Annual General Meeting and in respect of whom the Company has received a Notice under Section 257 of the Act, in writing, proposing his candidature for the office of director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

“RESOLVED FURTHER THAT the Directors and the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, things as may be deemed necessary, to give effect to the foregoing resolution.”

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 302, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) (hereinafter referred to as “the Act”), read with Schedule XIII to the Act and subject to further approval of the Central Government and all other applicable regulatory approvals, consent(s) and permission(s) as may be necessary in this regard and subject to such conditions as may be imposed by the authorities while granting such approval(s), consent(s) and permission(s) as may be agreed by the Board of Directors (which expression shall be deemed to include any Committee thereof and any person(s) authorized by the Board in this behalf), the approval of the Members of the Company be and is hereby granted for re-appointment of Mr. Shivinder Mohan Singh, as a Director within the meaning of Section 2(26) of the Act, designated

as “Executive Vice Chairman” of the Company, for a period of 3 (three) years, w.e.f. November 13, 2012 on the following terms and conditions :

- A. Total Remuneration: 2% of Net Profits of the Company computed in accordance with Section 198 of the Act, or ₹15,00,00,000 (Rupees Fifteen Crores only) per annum whichever is higher, with the authority granted to the Board of Directors to determine the total remuneration as recommended by the Human Resources and Remuneration Committee and revise it from time to time within the limits stipulated in this Resolution.

Besides the above, Mr. Shivinder Mohan Singh shall also be entitled to the following facilities which shall not be included in the computation of ceiling on total remuneration subject to the Company's policy in this regard from time to time:

- i. Provision of Car for use on Company's business, telephone and other communication facilities at residence;
- ii. Hospitalization and Accident Insurance as per the policy of the Company;
- iii. Encashment of Earned Leave at the end of the tenure.

The value of Allowances & Perquisites shall be taken as per Income Tax Rules, wherever applicable. In the absence of any applicable rules, the Allowances & Perquisites shall be valued at actual cost.

In addition to the above, Mr. Singh will also be entitled to the following benefits as per the policy/ rules of the Company in force from time to time

- i. Company's contribution to Provident Fund;
- ii. Payment of Gratuity and other retirement benefits

and these may not be included in the computation of ceiling on total remuneration to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

Notwithstanding anything herein above and subject to the terms of the approval of the Ministry of Corporate Affairs, Central Government, where in any financial year during the currency of tenure of Mr. Singh, the Company has no profits or its profits are inadequate, the Company shall pay to Mr. Singh the same remuneration as specified above as minimum remuneration.

#### **Sitting Fee:**

He shall not be paid any sitting fee for attending Meetings of the Board and/or any of its Committee(s).

#### **General:**

He shall be eligible for other facilities and benefits etc. as per rules of the Company from time to time.

He shall be subject to the other service conditions, rules and regulations of the Company from time to time.

He shall not be liable to retire by rotation.

- B. Subject to the superintendence, control and direction of the Board, Mr. Shivinder Mohan Singh shall perform such duties and functions as would be commensurate with his position as Executive Vice Chairman of the Company and as may be delegated to him by the Board from time to time.”

“RESOLVED FURTHER THAT the Board of Directors and the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds and things and to sign, execute and file and/or modify all such forms, papers and documents as may be considered necessary or expedient including appointing attorney(s) or authorised representatives to give effect to this Resolution.”

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

“RESOLVED THAT in conformity with the provision of Article 145 of the Articles of Association of the Company and pursuant to the provisions of Section 309(4) and such other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as “the Act”) (including any statutory amendment, modification or re enactment to the Act for the time being in force) and subject further to the approval of the Central Government and such other authority(ies) as may be necessary, the consent of the Company be and is hereby accorded for payment of an all inclusive Honorarium to Ms. Joji Sekhon Gill and Mr. Pradeep Ratilal Raniga, Non-Executive Directors of the Company for an amount of ₹ 7,50,000 (Rupees Seven Lacs Fifty Thousand Only) per annum for a period of 5 years, commencing from their respective date of appointment.”

“RESOLVED FURTHER THAT an additional Honorarium of ₹ 2,50,000 (Rupees Two Lacs Fifty Thousand Only) per annum, shall be paid to each such Non-Executive Director who is also a Chairman of any Committee(s) of the Board or may become so in future for a period of 5 years, commencing from their respective date of appointment.”

“RESOLVED FURTHER THAT the Board of Directors and Company Secretary of the Company, be and are hereby severally authorized to take all such steps including filing of necessary application with Central Government, Ministry of Corporate Affairs and to do all such acts, deeds and things as may be necessary and incidental for giving effect to the foregoing resolution.”

11. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT in furtherance and continuation of the Special Resolution passed at the Fifteenth Annual General Meeting of the Company held on September 19, 2011 and in accordance with the applicable provisions, of the Companies Act, 1956 (hereinafter referred to as “the Act”), the provisions contained in the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 (“the Guidelines”) (including any statutory amendment, modification or re-enactment to the Act or the Guidelines, for the time being in force) and the Articles of Association of the Company and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued thereon from time to time by the Government of India (the “GOI”), the Reserve Bank of India (the “RBI”), the SEBI and/ or any other competent authorities and subject to such other approvals, permissions, sanctions and any conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee including Human Resources & Remuneration Committee of the Board and/ or any persons authorized by the Board or such Committees in this regard) to make necessary additions, alteration(s), modification(s) and/ or variation(s) in the Employee Stock Option Plan, 2011 (“ESOP Scheme”) for facilitating the offer, issuance and allotment, in one or more tranches, such number of stock options/ equity shares and/ or equity linked instruments including any other instruments or securities which could give rise to the issue of equity shares (hereinafter collectively referred to as ‘Securities’) of the Company, through the Employee Welfare Trust to the employees and Directors of the Company, from time to time on such terms and conditions as may be decided by the Board.”

“RESOLVED FURTHER THAT the Company do set up an Employee Welfare Trust, namely ‘Fortis Healthcare Limited Employees Welfare Trust’ (“the Trust”) for the purposes of the revised ESOP Scheme, which would be authorised to hold the Securities of the Company for the benefit of the employees and Directors and grant options to employees and Directors of the Company.”

“RESOLVED FURTHER THAT the other terms and conditions of ESOP Scheme inter alia maximum number of options that can be granted, vesting period, exercise price or pricing formula, exercise period and appraisal process under the ESOP Scheme shall remain unchanged and the options granted under the extant ESOP Scheme shall deem to be granted under the ESOP Scheme, as suitably modified in accordance with the foregoing resolution.

“RESOLVED FURTHER THAT for the purpose of bringing into effect, implementing and carrying out the aforesaid modification, the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary or expedient and to settle any questions, difficulties or doubts that may arise in this regard at any stage including at the time of listing of securities without requiring the Board to secure any further consent or approval of the members of the Company in this regard.”

12. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT in furtherance and continuation of the Special Resolution passed at the Fifteenth Annual General Meeting of the Company held on September 19, 2011 and in accordance with the applicable provisions, of the Companies Act, 1956 (hereinafter referred to as “the Act”), the provisions contained in the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 (“the Guidelines”) (including any statutory amendment, modification or re-enactment to the Act or the Guidelines, for the time being in force) and the Articles of Association of the Company and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued thereon from time to time by the Government of India (the “GOI”), the Reserve Bank of India (the “RBI”), the SEBI and/ or any other competent authorities and subject to such other approvals, permissions, sanctions and any conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the Company be and is hereby accorded for facilitating the offer, issuance and allotment, in one or more tranches, such number of stock options/ equity shares and/ or equity linked instruments including any other instruments or securities which could give rise to the issue of equity shares (hereinafter collectively referred to as ‘Securities’) of the Company, under the revised Employee Stock Option Plan, 2011 (as modified in accordance with the Resolution no. 11 of this Notice), through the Employee Welfare Trust, to the employees and Directors of the Holding or Subsidiary companies of the Company and/ or to such other persons, as may from time to time be allowed under prevailing laws and rules and regulations and /or amendments thereto from time to time on such terms and conditions as may be decided by the Board.”

“RESOLVED FURTHER THAT the ‘Fortis Healthcare Limited Employees Welfare Trust’ (‘the Trust’) to be created for the purposes of the revised Employee Stock Option Plan, 2011 in accordance with the Resolution no. 11 of this Notice, would be authorised to hold the Securities of the Company for the benefit of the employees and Directors and grant options to employees

and Directors of the Holding or Subsidiary companies of the Company and/ or to such other persons, as may from time to time be allowed under prevailing laws and rules and regulations.”

“RESOLVED FURTHER THAT for the purpose of bringing into effect, implementing and carrying out the aforesaid modification, the Board be and is hereby authorized to make necessary additions, alteration(s), modification(s) and/ or variation(s) in the Employee Stock Option Plan, 2011 and to do all such acts, deeds, matters and things as may be necessary or expedient and to settle any questions, difficulties or doubts that may arise in this regard at any stage including at the time of listing of securities without requiring the Board to secure any further consent or approval of the members of the Company in this regard.”

**By Order of the Board  
For Fortis Healthcare Limited**

Date : August 14, 2012  
Place: Gurgaon

**Rahul Ranjan  
Company Secretary**

#### NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS APPENDED WITH THE ADMISSION SLIP.**
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, is enclosed herewith and forms part of this Notice.
3. In terms of Clause 49 of the Listing Agreement, the additional information on Directors seeking appointment / re-appointment at this Annual General Meeting has been provided elsewhere in this Notice.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from **“Tuesday, September 25, 2012 to Saturday, 29th September, 2012** (both days inclusive)”.
5. Members are requested to bring their copy of Annual Report to the Meeting.
6. Members / Proxies are requested to bring the Attendance Slip duly filled in and hand over the same at the entrance of the Meeting Hall. The members who hold shares in dematerialized form are requested to bring their Client Master List / Depository Participant Statement/ Delivery Instruction Slip, reflecting their Client Id. and

DP Id. Nos. for easier identification of attendance at the meeting.

7. Members who hold shares in electronic form are requested to notify any change in their particulars like change in address, etc., to their respective Depository Participants immediately and Members who hold shares in physical form are requested to notify any change in their particulars like change in address, etc. to the Registrar & Transfer Agent of the Company.
8. In case of joint holders attending the meeting, only such joint holder whose name appears at the top in the hierarchy of names shall be entitled to vote.
9. Corporate Members are requested to send a duly certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote at the Annual General Meeting.
10. For security reasons, no article/baggage will be allowed at the venue of the meeting. The members/attendees are strictly requested not to bring any article/baggage etc. at the venue of the meeting.
11. Pursuant to Section 109A of the Companies Act, 1956, members are entitled to make nomination in respect of Shares held by them. The members holding Shares in physical form and desirous of making nominations may send their nomination request in prescribed form 2B of Companies (General Rules & Forms), 1956 which can be obtained from the Company's Registrar, LINK INTIME INDIA PRIVATE LIMITED at A-40, 2nd FLOOR, NARAINA INDUSTRIAL AREA, PHASE-II, NEAR BATRA BANQUET HALL, NEW DELHI-110028 or download from the Company's Website.
12. Members desiring any information on the Accounts are required to write to the Company at its Registered Office, giving at least 7 days' notice prior to the date of Annual General Meeting to enable the Management to compile and keep the information ready.

#### EXPLANATORY STATEMENT

##### (Pursuant to Section 173(2) of the Companies Act, 1956)

##### Item No. 6

In accordance with the provisions of Section 256 of the Companies Act, 1956, read together with the Articles of Association of the Company, Justice S S Sodhi is liable to retire by rotation at the ensuing Annual General Meeting of the Company.

Due to his pre-occupation, Justice S S Sodhi has not offered himself for re-appointment. Since no proposal has been received for filling up the vacancy, it is decided not to appoint any director in place of Justice S S Sodhi.

The Board of Directors recommends the resolution as set out at Item No. 6 for approval of the members.

None of the Directors, except Justice S S Sodhi himself, is, in anyway, concerned or interested in the Resolution.

**Item No. 7**

The Board of Directors of your Company had co-opted Ms. Joji Sekhon Gill as an Additional Director (Independent) w.e.f. May 28, 2012, in terms of Section 260 of the Companies Act, 1956, read with Article 141 of the Article of Association of the Company. The brief resume of Ms. Gill as required under Clause 49 of the Listing agreement is provided elsewhere in this Notice.

As per Section 260 of the Companies Act, 1956, she will hold office upto the date of this Annual General Meeting. The Company has received a notice in writing in terms of Section 257 of the Companies Act, 1956, alongwith a requisite deposit, proposing her candidature for the office of Director of the Company, liable to retire by rotation.

Your Directors believe that with the appointment of Ms. Joji Sekhon Gill, an independent Director, the Company would be immensely benefitted by way of strategic guidance, leadership, wider and more independent perspective in Board's deliberations and decisions.

The Board of Directors recommends the resolution as set out at Item No. 7 for approval of the members.

None of the Directors, except Ms. Joji Sekhon Gill herself, is in any way, concerned or interested in the resolution.

**Item No. 8**

The Board of Directors of your Company had co-opted Mr. Pradeep Ratilal Raniga as an Additional Director (Independent) w.e.f. May 28, 2012, in terms of Section 260 of the Companies Act, 1956, read with Article 141 of the Article of Association of the Company. The brief resume of Mr. Raniga as required under Clause 49 of the Listing agreement is provided elsewhere in this Notice.

As per Section 260 of the Companies Act, 1956, he will hold office upto the date of this Annual General Meeting. The Company has received a notice in writing in terms of Section 257 of the Companies Act, 1956, alongwith a requisite deposit, proposing his candidature for the office of Director of the Company, liable to retire by rotation.

Your Directors believe that with the appointment of Mr. Pradeep Ratilal Raniga, an independent Director, the Company would be immensely benefitted by way of strategic guidance, leadership, wider and more independent perspective in Board's deliberations and decisions.

The Board of Directors recommends the resolution as set out at Item No. 8 for approval of the members.

None of the Directors, except Mr. Pradeep Ratilal Raniga himself, is in any way, concerned or interested in the resolution.

**Item No. 9**

Mr. Shivinder Mohan Singh, one of the promoter Directors of the Company, was appointed as the Managing Director of the Company for a period of 3 years w.e.f. November 13, 2009, subject to the approval of the Central Government pursuant to the provisions of Section 269 of the Companies

Act, 1956. Subsequently, Central Government has also conferred its approval for the appointment of Mr. Singh as the Managing Director of the Company vide its Letter No. SRN/A74400516/3/2009-CL-VII dated August 5, 2010.

On recommendation of the Human Resources and Remuneration Committee, in recognition of the valuable services rendered by Mr. Singh, the Board of Directors had, in its meeting held on August 14, 2012, re-appointed him as Managing Director, designated as the "Executive Vice Chairman" for further period of 3 years w.e.f. November 13, 2012, subject to the approval of shareholders of the Company and the Central Government under Sections 198, 269, 309, 310 read with Schedule XIII of the Companies Act, 1956.

It may please be noted that:

- No Stock Options have been granted to Mr. Singh under "Employee Stock Options Plan-2007" and "Employee Stock Options Plan - 2011" of the Company.
- No severance fees is payable to Mr. Singh in case of termination of his appointment by the Company.

As such the Board of Directors recommends the resolution(s) at Item No. 9 for approval of shareholders.

None of the Directors except Mr. Malvinder Mohan Singh (being related to Mr. Shivinder Mohan Singh) and Mr. Shivinder Mohan Singh himself, is interested in the proposed resolution.

This may also be treated as an abstract under Section 302 of the Companies Act, 1956.

**The following additional information as required by Schedule XIII to the Companies Act, 1956 is given below:**

**I. General Information**

- (i) Nature of Industry: Business of providing healthcare services and running multi-specialty hospitals.
- (ii) Date or expected date of commencement of commercial production: The Company was incorporated on February 28, 1996.
- (iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: NOT APPLICABLE
- (iv) Financial performance (on standalone basis) based on given indicators as per Audited Financial Results for the year ended March 31, 2012:

(₹ in Millions)

Particulars	For the year ended 31.03.2012
Turnover and other income	5,927.59
Net profit after tax	2,013.86

- (v) Export Performance and net foreign exchange collaborations: NOT APPLICABLE
- (vi) Foreign investments or collaborations, if any: NOT APPLICABLE.

## II. Information about the appointee

### (i) Background details:

Mr. Shivinder Mohan Singh, aged 37 years, has done his MBA with specialization in health sector management from the Duke University Business School, USA. He is an alumnus of Doon School and an Honours Graduate in Mathematics from St. Stephens College, Delhi.

He is having more than 14 year experience in Healthcare Industry.

Mr. Shivinder is on the board of Aspen India. He is also on the board of visitors of Fuqua School of Business, Duke University. Mr. Shivinder is the Chairman of the Membership Committee of FICCI (Federation of Indian Chambers of Commerce and Industry). He has led various healthcare bodies and state level initiatives for the industry. Some of the other positions that Shivinder has held in the past include that of the Chairman of the FICCI Healthcare Committee and the Chairman of FICCI Young leaders (FYL). Shivinder is also on the national board of advisors of the Association Internationale des Etudiants en Sciences Economiques et Commerciales (AIESEC), a global, non-political, independent, not-for-profit organization run by students and recent graduates of institution of higher education.

### (ii) Past remuneration drawn:

During the financial year ended March 31, 2012, Mr. Shivinder Mohan Singh drew a remuneration of ₹ 5.39 Crore, in terms of Central Government approval Letter No. SRN/A74400516/3/2009-CL-VII dated August 5, 2010.

### (iii) Recognition and Awards/Achievements:

- Young Business Leader Award at NDTV Profit Business Leadership Awards 2010;
- Healthcare Personality of the Year at FICCI Healthcare Excellence Awards-2011;
- Punjabi achievers for the Year 2011 Award by Global Punjabi Society;
- Emerging Business Leader of the Year Award at AIMA Managing India Awards 2012.

### (iv) Job profile and suitability

- Works along with the Executive Chairman in ensuring effective operation of the Board and its committees in conformity with the highest standards of corporate governance

- Ensures effective communication with all stakeholders and other relevant constituencies and ensure that the views of these groups are understood by the top management
- Healthcare Specialist and lead on Medical Strategy and clinical governance for the group
- Advises the Executive Chairman in the development of strategy, business development and provide support where required
- Leads the infrastructure development of the company by heading the projects and design division.

Mr. Shivinder Mohan Singh has been shouldering onerous responsibilities and multitude of challenges in overseeing and managing growth (both organic and inorganic) and in synergizing complex operations in an increasingly competitive environment in diverse geographies within the country. Mr. Singh is also providing leadership at the helm of a service organization with people from divergent cultures.

The Company has made consistent progress under the leadership of Mr. Shivinder Mohan Singh, who has successfully established Fortis brand as a synonymous with quality healthcare and service excellence.

His contribution to the Indian Healthcare Scenario is widely acknowledged. His strategy for Fortis and its execution has been recognized by Harvard Business School in the form of a case study. He has been playing an important and active role in shaping the private healthcare space in India. He has also been tirelessly working on getting the private healthcare sector to work closely with the government. He has also worked with leading functionaries within the healthcare sector to set up a national healthcare federation. Shivinder is also keenly involved in various CSR initiatives focused on the girl child, HIV education, providing quality healthcare to rural India to name a few.

### (v) Remuneration proposed:

2% of Net Profits of the Company computed in accordance with Section 198 of the Act or ₹ 15,00,00,000 (Rupees Fifteen Crores only) per annum, whichever is higher, with the authority granted to the Board of Directors to determine the total remuneration as recommended by the Human Resources and Remuneration Committee and revise it from time to time within the limits stipulated in the proposed Resolution.

- (vi) **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):**

The proposed remuneration of Mr. Shivinder Mohan Singh, who is a thorough Professional, possessing invaluable and rich knowledge, experience and insights complemented with the vast business experience, is comparable with Executive Directors of other Companies and is in parity with the Industry Standards for such a responsible position.

- (vii) **Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:**

Mr. Shivinder Mohan Singh is related to Mr. Malvinder Mohan Singh, Executive Chairman and holds 11,508 Equity Shares in the Company. Except proposed remuneration as stated above, Mr. Shivinder Mohan Singh does not have any pecuniary relationship with the Company and its managerial personnel.

### III. Other information:

- (i) **Reasons for loss or inadequate profits:**

During the Financial Year 2011-12, the Company posted a Net Profit of ₹ 201.39 Crores as against a Net Profit of ₹ 141.81 Crores during Financial Year 2010-11.

The profitability of the Company (FHL) is dependent upon the following factors:

1. The dependence of business on Professionals: With rising competition in the field of healthcare, the demand for professional doctors/nurses/ paramedical staff has gone up and the supply is limited. Due to the same, the industry observes high attrition ratio and to retain the staff or get the same people back, the company needs to keep offering suitable remuneration to these professionals.
2. The Company follows an aggressive growth strategy through organic and inorganic route, which puts pressure to the existing profit margins.
3. New Hospital projects in Healthcare industry involve substantial capital investment and are characterized by long gestation periods, resulting into losses in the initial years and gradual growth of business/ revenue.
4. The healthcare segment is under served in the country and is dependant for growth on the private sector and the Insurance Industry.

- (ii) **Steps taken or proposed to be taken for improvement:**

1. The Company and its subsidiaries have been continuously evaluating various business and ownership strategies (the "Fortis Group"), and various models for raising long-term financial resources by capitalising upon the expertise of the Fortis Group. Consequently, your Company is undergoing an internal corporate restructuring, whereby the business of certain identified hospitals of the Fortis Group will be divided into (i) Clinical Establishments Division; and (ii) Medical Services Division.
2. The Company has proposed an Initial Public Offer of units in a business trust, which would, through its trustee manager on behalf of the business trust, indirectly own the Clinical Establishments Division, on the Singapore Exchange Securities Trading Limited, the proceeds whereof shall be primarily used for repayment of outstanding loans owed to the Company and its subsidiaries and payment of consideration to the Company and its subsidiaries for transfer of their shareholding and interest in its certain subsidiaries.
3. With the support of skilled doctors, dedicated to quality patient care and modern, patient-centric hospital facilities and a Cost-effective business model, the Company expects better and improved cash flows in the future.
4. The Company focuses on high-end quality healthcare services for reducing the average length of stay (ALOS) of the inpatients thereby increasing the average income per bed in use and thus improving the asset turnover ratios.
5. The management has implemented better supply chain management procedures for maximizing efficiencies across various Fortis hospitals. This has resulted in tangible cost savings across all Hospitals.
6. The promoters of Fortis are committed for providing compassionate medical care at the most affordable prices. The Company has also launched low cost health centres in the name of "Rencare" to cater to masses.

#### Item No. 10

The Non Executive Directors play a very critical and significant role in supporting independent decision making on the board. Ms. Joji Sekhon Gill and Mr. Pradeep Ratilal Raniga, also bring in strategic guidance, leadership and an independent view to the Company's Management with discharging their fiduciary responsibilities, thereby ensuring that the Management adheres to highest standards of ethics,

transparency and disclosure. Considering the amount of time spent by the Non-Executive Directors in the deliberations of Board and the valuable guidance given by them to the Management from time to time, it is proposed that in addition to payment of sitting fees, an honorarium should also be paid to Ms. Joji Sekhon Gill and Mr. Pradeep Ratilal Raniga, Non Executive Directors on the Board of the Company.

Based on the proposal initiated by the Human Resources and Remuneration Committee, the Board of Directors of the Company in its meeting held on 14th August, 2012, recommended the payment of an honorarium of an amount of ₹ 7.50 Lacs per annum, which amount shall be increased by ₹ 2.50 Lacs per annum in case such Non-Executive Director is also a Chairman of any Committee(s) of the Board of Directors, subject to the approval of the Shareholders of the Company and the Central Government.

As per Section 309(4) of the Companies Act, 1956, the Non-Executive Directors may be paid remuneration by way of a monthly, quarterly or annual payment with the previous approval of the Shareholders and Central Government.

The Board of Directors recommends the resolution as set out at Item No.10 for the approval of the Members as Special Resolution.

None of the Directors, except Ms. Joji Sekhon Gill and Mr. Pradeep Ratilal Raniga shall deemed to be interested in the resolution to the extent of the proposed remuneration payable to them.

#### Item Nos. 11 & 12

The exponential growth of the Company has, in large measure, been possible owing to the wholehearted support, commitment and teamwork of its employees. The Company believes that all the employees of the Company and/ or its subsidiaries and / or its holding company are the true stakeholders and should participate in the growth and prosperity of the Company.

Accordingly, in terms of recommendation of Human Resources and Remuneration Committee of the Board of Directors of the Company on May 23, 2011, the Board of Directors of the Company had formulated "Employee Stock Option Plan - 2011" for the benefit of employees and Directors (not being a Promoter or belonging to Promoter Group) of the Company and / or the employees and Directors of its Holding and Subsidiary companies and/ or to such other persons, as may from time to time be allowed under prevailing laws and rules and regulations, which was subsequently approved by the Shareholders of the Company in the Annual General Meeting of the Company held on September 19, 2011 by way of Special Resolution.

The Board of Directors of the Company on August 14, 2012, on recommendation of the Human Resources and Remuneration Committee and subject to the approval of the Shareholders, has approved the proposal to set up 'Fortis Healthcare Limited Employees Welfare Trust' (hereinafter referred to as "Trust") for the purposes of revised ESOP Scheme and for the benefit of employees and Directors entitled to securities under the said Scheme. It is proposed that the options granted under the

extant ESOP Scheme shall be deemed to have been granted under the revised ESOP Scheme and shall be governed under the provisions of the revised ESOP Scheme.

The Trust will administer and implement the ESOP in accordance with the provisions of the revised ESOP Scheme. Further, the Trust shall grant options to the said employees and Directors, in accordance with the directions and recommendations of the Human Resources and Remuneration Committee of the Company.

The Board of Directors recommends the Special Resolutions as set out in Item No. 11 & 12 for the approval of the Members.

None of the Directors of the Company, is, in any way concerned or interested in the resolutions, except to the extent of the Stock Options that may be offered to him/her under the Scheme.

#### Brief Profile of Directors seeking appointment / re-appointment at the Annual General Meeting:

##### (a) Mr. Shivinder Mohan Singh

Brief Profile of Mr. Shivinder Mohan Singh is provided in Explanatory Note to Item No. 9 of the Notice.

As on date, he holds 11,508 Equity Shares of ₹ 10/- each, fully paid up, in his own name. He is not holding any other convertible instrument in the Company.

Presently, Mr. Shivinder Mohan Singh is a Director and member of Committees of Boards of the following other companies:

Sr. No.	Name of the Companies and Designation	Committee Memberships/ Chairmanships
1	Fortis Healthcare Holdings Private Limited - Director	—
2	Religare Voyages Limited - Director	— Audit Committee (Member) — Remuneration Committee (Member)
3	Oscar Investments Limited – Director	— Risk Management Committee (Member) — Remuneration Committee (Member)
4	SRL Limited (Previously known as Super Religare Laboratories Limited) – Chairman	—
5	Fortis Clinical Research Limited – Director	—
6	Fortis Hospitals Limited – Director	— Audit Committee (Member) — Management Committee (Chairman) — Remuneration Committee (Member)



<b>Sr. No.</b>	<b>Name of the Companies and Designation</b>	<b>Committee Memberships/ Chairmanships</b>
7	Religare Technologies Limited – Director	–
8	A-1 Book Company Private Limited – Director	–
9	Chetak Pharmaceuticals Private Limited – Director	–
10	Greenview Buildtech Private Limited – Director	–
11	R.C.Nursery Private Limited – Director	–
12	Shivi Holdings Private Limited – Director	–
13	RHC Holding Private Limited – Director	–
14	RHC Finance Private Limited – Director	–
15	Fortis Global Healthcare (Mauritius) Limited – Director	–
16	Fortis Healthcare International Pte. Limited – Director	–
17	Fortis Asia Healthcare Pte Limited – Director	–
18	RHC Holding Pte Limited – Director	–
19	Fortis Healthcare Global Pte Limited – Director	–
20	Fortis Healthcare India Holdings Pte Limited – Director	–
21	Fortis Healthcare Singapore Pte Limited – Director	–
22	The Lanka Hospitals Corporation PLC – Director	–

**(b) Mr. Gurcharan Das**

Mr. Gurcharan Das, graduated with Honors from Harvard University, U.S.A. and later received the AMP degree from Harvard Business School. Mr. Das is an author and a management consultant and advises a number of companies on global corporate strategy. He held the position of the Chief Executive Officer, Procter and Gamble India from 1985 until 1992, and Chairman and Managing Director of Richardson Hindustan Limited from 1981 until 1985. He was managing director, Procter & Gamble Worldwide (Strategic Planning)

before he took early retirement to become an author, after 30 years of experience of working in six countries. He is on a number of boards in India and abroad. He is on the global advisory boards of Wal-Mart, the American retail giant, and Mars Inc. In India, he is on the boards of Gillette, BNP Pribas, Birla Sunlife, ChrysCapital LLC, and other companies. He is regular speaker to the world's top corporations and has served on the juries of the McKinsey award for the best Harvard Business Review article and the \$500,000 Milton Friedman Prize. Mr. Das serves on several government advisory boards. He is the author of two best selling books, "India Unbound" and "The Difficulty of Being Good". He is a regular columnist for six Indian newspapers and a guest columnist for the Wall Street Journal, Newsweek, Foreign Affairs, and Financial Times.

As on date, he holds 10,000 Equity Shares of ₹ 10/- each, fully paid up, in his own name. He is not holding any other convertible instrument in the Company.

Presently, Mr. Gurcharan Das is a Director and member of Committees of Boards of the following other companies:

<b>Sr. No.</b>	<b>Name of the Companies and Designation</b>	<b>Committee Memberships/ Chairmanships</b>
1	Berger Paints India Limited – Director	–
2	Gillette India Limited – Director	–
3	Shakti Bhog Foods Limited – Director	–
4	Birla Sun Life Trustee Company Private Limited – Director	–
5	Gurcharan Das Consultants Private Limited – Director	–
6	DMI Finance Private Limited – Director	–

**(c) Mr. Sunil Godhwani**

Mr. Sunil Godhwani is the Chairman and Managing Director of Religare Enterprises Limited (REL). A man with a vision to create a global business of excellence, he is the inspiration to all as he spearheads REL's management and global operations; strategizing and directing it through its next phase of growth.

Mr. Godhwani brings with him strong leadership skills, vigor and a passion for excellence. He believes in nurturing a culture that is entrepreneurial, result oriented, customer focused and based on teamwork. He has given strategic direction to Religare's growth since his joining in 2001. He has been instrumental in establishing Religare's vast network and shaping the Company's strategies in India and abroad. He is

on a constant lookout for taking it to new heights by managing various acquisitions, finding new partners for joint ventures and scouting new avenues for the business. Under his able leadership, Religare Enterprises Limited is India's fastest growing, integrated financial services company with a significant presence in 15 countries across Asia, Africa, Middle East, Europe and the Americas.

He also held the various key positions such as Member of the Economic Policy Council and the Task Force on Indian Financial Markets of the Confederation of Indian Industry (CII), Member of the Executive Committee of the Federation of Indian Chambers of Commerce & Industry (FICCI), Member of the Managing Committee of The Associated Chambers of Commerce and Industry of India (ASSOCHAM). He is also a director on the Boards of various Religare group companies.

He has a diverse and wide-ranging experience of over two decades in managing large scale businesses. A powerful orator and a great motivator, he has been awarded with many awards and accolades. In the year 2008, he was awarded with Outlook Money - NDTV Profit Awards 2008' for "Best New IPO Listing" presented by Mr. C.B Bhawe, former Chairman-Securities & Exchange Board of India, in 2009, he was conferred the "CEO of the year" Award at the CEO CLUBS INTERNATIONAL AWARDS, Dubai and 'Udyog Rattan Award' and Religare Enterprises Limited with 'Excellence Award' by Institute of Economic Studies at Indian Habitat Centre, In 2010, he got, 'India Business Leader of the Year' at the Global Indian Business Meeting hosted by Horasis, in Madrid, Spain and also Best M&A Deal in the Health/ Life Sciences Category" at the 8th Annual M&A Awards held in New York for the 'Acquisition of strategic stake in Parkway Holdings by Fortis Healthcare Ltd'. He is a Prolific writer and speaker at important industry platforms and publications. He continues to play a key role as part of the Indian contingent at the World Economic Forum at Davos. He was speaker at 2010 Buttonwood Gathering held at New York alongside eminent personalities like Vikram Pandit, Stephen Roach and Wilbur L. Ross Jr. also featured in The Economic Times, India's largest business daily, as one of the key people to watch out for in the BFSI space

Born in New Delhi, he completed his schooling from prestigious St. Columba's School post which he went abroad for studying. He holds a B. Sc. Degree in Chemical Engineering and a M.Sc. in Industrial Engineering & Finance from Polytechnic Institute of New York.

As on date, he holds 38,500 Equity Shares of ₹ 10/- each, fully paid up, in his own name. He is not holding any other convertible instrument in the Company.

Presently, Mr. Sunil Godhwani is a Director and member of Committees of Boards of the following other companies:

<b>Sr. No.</b>	<b>Name of the Companies and Designation</b>	<b>Committee Memberships/ Chairmanships</b>
1.	Religare Enterprises Limited – Chairman and Managing Director	<ul style="list-style-type: none"> <li>– Investment &amp; Borrowing Committee – Chairman</li> <li>– Shareholders' and Investors' Grievance Committee – Member</li> <li>– Committee under Clause 41 of the Listing Agreement – Chairman</li> <li>– Share Allotment Committee – Member</li> <li>– Audit Committee – Member</li> <li>– Compensation / Remuneration / Nomination Committee – Member</li> <li>– Offer Committee - Member</li> <li>– Executive Committee - Member</li> </ul>
2.	AEGON Religare Life Insurance Company Limited – Chairman	<ul style="list-style-type: none"> <li>– Audit Committee – Member</li> <li>– Policyholders Protection Committee – Member</li> </ul>
3.	Religare Trustee Company Limited – Chairman	–
4.	Religare Health Insurance Company Limited – Director	<ul style="list-style-type: none"> <li>– Audit Committee – Chairman</li> <li>– Remuneration / Compensation Committee – Chairman</li> <li>– Allotment Committee – Chairman</li> </ul>
5.	Religare Voyages Limited – Director	–
6.	SRL Limited (Previously known as Super Religare Laboratories Limited) – Director	<ul style="list-style-type: none"> <li>– Remuneration/ Nomination/ Compensation Committee – Chairman</li> <li>– Share Allotment Committee – Chairman</li> </ul>
7.	Vistaar Religare Capital Advisors Limited – Director	– Allotment Committee – Member
8.	Religare Technologies Limited – Director	– Restructuring Committee – Member
9.	Milestone Religare Investment Advisors Private Limited – Director	–
10.	Religare Commodities Limited – Director	–