



## FORTIS HEALTHCARE LIMITED

CIN: L85110DL1996PLC076704

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

**Tel.:** +91-11-4713 5000/2682 5000, **Fax:** +91-11-2682 5013

**Email:** secretarial@fortishealthcare.com, **Website:** www.fortishealthcare.com

### NOTICE

Notice is hereby given that the **Nineteenth Annual General Meeting** of **Fortis Healthcare Limited** will be held on Wednesday, **23<sup>rd</sup> September, 2015 at 12:00 Noon** at **PHD Chamber of Commerce and Industry, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi – 110016**, to transact the following business:

#### ORDINARY BUSINESS

1. To consider and adopt the Audited Standalone Financial Statements of the Company together with Reports of the Board and Auditors thereon and the Audited Consolidated Financial Statements of the Company including Auditors' Report thereon.
2. To appoint a director in place of Mr. Harpal Singh (DIN- 00078224), who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with rules made thereunder, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Registration No. 117366W/W-100018), be and are hereby appointed as Statutory Auditors of the Company for a period of 5 years, subject to ratification of the appointment by the Members of the Company at every Annual General Meeting as per the provisions of the Companies Act, 2013, at such remuneration plus service tax, out-of-pocket, travelling expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors."

#### SPECIAL BUSINESS

4. To consider and if thought fit, to pass, the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 196 and 197 read with Schedule V and the Rules made thereunder and other applicable provisions, if any, of Companies Act, 2013, (hereinafter referred to as "the Act") (including any statutory modification or re-enactment thereof, for the time being in force) and of Articles of Association of the Company and further subject to the approval of the Central Government, if any, and all other applicable regulatory and other approvals, consents and permissions as may be necessary in this regard and to such conditions as may be imposed by any authority while granting such approval(s), consent(s) and permission(s) and as may be agreed to by the Board of Directors of the

Company (which term shall be deemed to include any Committee thereof which may have been constituted or may hereinafter be constituted by the Board of Directors of the Company, or any director/officer authorized by the Board of Directors/Committee for this purpose), the approval of the Members of the Company be and is hereby accorded to re-appoint Mr. Malvinder Mohan Singh (DIN: 00042981), as Whole-time Director of the Company, designated as "Executive Chairman", with effect from April 1, 2016 for a period of 3 (three) years, not liable to retire by rotation, on the following terms and conditions:-

- A. Total Remuneration: 5% of Net Profits or ₹ 15,00,00,000 (₹ 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 Nomination and Remuneration Committee and revise it from time to time within the limits stipulated in this Resolution.

Besides the above, Mr. Malvinder 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 provisions of the Act and Company's Policy in this regard from time to time:

- i. Provision of Company maintained Car(s) along with chauffeur;
- ii. Telephone and other communication facilities at residence;
- iii. Hospitalization and Accident Insurance as per the policy of the Company;
- iv. Encashment of Earned Leave at the end of the tenure;
- v. Entitlement for travel (Class / Mode) shall be as per the Company Policy from time to time, expenses for which will be borne by the Company on actual cost basis.

Apart from the above, Mr. Singh shall be entitled to reimbursement of any other business related expenses on actual cost basis.

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. Malvinder Mohan Singh, the Company has no profits or its profits are inadequate, the Company shall pay to Mr. Singh ₹ 15 crores or such remuneration as may be decided by Nomination and Remuneration Committee within the said limit, 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.

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

**RESOLVED FURTHER THAT** Board of Directors on the recommendation of Nomination and Remuneration Committee, may pay remuneration to Mr. Malvinder Mohan Singh, exceeding the aforesaid limits, provided that total remuneration paid to all Executive Directors taken together shall not exceed 10% of the Net Profits of the Company calculated in accordance with the provisions of Section 198 of Companies Act, 2013.

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

5. To consider and if thought fit, to pass, the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to provision of Sections 196 and 197 read with Schedule V and the Rules made thereunder and other applicable provisions, if any, of Companies Act 2013 (hereinafter referred to as "the Act") (including any statutory modification or re-enactment thereof, for the time being in force) and of Articles of

Association of the Company and further subject to the approval of the Central Government, if any, and all other applicable regulatory approvals, consents and permissions as may be necessary in this regard and to such conditions as may be imposed by any authority while granting such approval(s), consent(s) and permission(s) and as may be agreed to by the Board of Directors of the Company (which term shall be deemed to include any Committee thereof which may have been constituted or may hereinafter be constituted by the Board of Directors of the Company, or any director/officer authorized by the Board of Directors/ Committee for this purpose), the approval of the Members of the Company be and is hereby accorded to re-appoint Mr. Shivinder Mohan Singh (DIN: 00042910), as Managing Director of the Company, designated as "Executive Vice Chairman" of the Company, for a period of 3 (three) years, w.e.f. November 13, 2015 not liable to retire by rotation, on the following terms and conditions:

- A. Total Remuneration: 5% of Net Profits or ₹ 15,00,00,000 (₹ 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 Nomination 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 provisions of the Act and Company's policy in this regard from time to time:

- i. Provision of Company maintained Car(s) along with chauffeur;
- ii. Telephone and other communication facilities at residence;
- iii. Hospitalization and Accident Insurance as per the policy of the Company;
- iv. Encashment of Earned Leave at the end of the tenure;
- v. Entitlement for travel (Class/ Mode) shall be as per the Company Policy from time to time, expenses for which will be borne by the Company on actual cost basis.

Apart from the above, Mr. Singh shall be entitled to reimbursement of any other business related expenses on actual cost basis.

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. Shivinder Mohan Singh, the Company has no profits or its profits are inadequate, the Company shall pay to Mr. Singh ₹ 15 crores or such remuneration as may be decided by Nomination and Remuneration Committee within the said limit, 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.

- 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** Board of Directors on the recommendation of Nomination and Remuneration Committee, may pay remuneration to Mr. Shivinder Mohan Singh, exceeding the aforesaid limits, provided that total remuneration paid to all Executive Directors taken together shall not exceed 10% of the Net Profits of the Company calculated in accordance with the provisions of Section 198 of Companies Act, 2013.

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

6. To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** in supersession of the resolutions passed by the Members at its meetings held on September 19, 2011, September 29, 2012 and September 24, 2014, in this regard, and pursuant to the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder and Article 87 of the Articles of Association, the Company be and is hereby authorised to pay Honorarium to its Non-Executive Directors (other than Nominee Director(s)), for

the time being on the Board of the Company and who may be appointed in such position hereinafter, for a period of five years commencing from April 1, 2015, not exceeding 1% (one percent) or such other percentage of the Net Profits of the Company in any financial year as may be specified under the Companies Act, 2013 from time to time and computed in the manner provided under Section 198 of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the above remuneration shall be in addition to fees payable to the director for attending the meetings of the Board or Committee thereof.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including Nomination and Remuneration Committee) be and is hereby authorized to do all such acts and to take all steps as may be necessary, proper or expedient to give effect to this resolution.”

7. To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), remuneration of ₹ 2.30 lacs plus out of pocket expenses and taxes, being paid to M/s. Jitender, Navneet & Co., Cost Auditors appointed by the Board of Directors, to conduct the audit of the cost records of the Company, for the Financial Year ended March 31, 2015, be and is hereby ratified and confirmed.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

8. To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 181 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Board of Directors of the Company be and is hereby authorized to contribute, in any financial year, charitable and other bonafide funds, any amounts the aggregate of which, may exceed five per cent of its average net profits for the three immediately preceding financial years, subject to a limit of ₹ 5 Crore.”

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By Order of the Board  
For Fortis Healthcare Limited

Sd/-  
Date : August 6, 2015  
Place : Gurgaon

Rahul Ranjan  
Company Secretary

## NOTES:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, is enclosed herewith and forms part of this Notice.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY(IES) TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY(IES) NEED NOT BE A MEMBER OF THE COMPANY.**

Proxies, to be effective shall be duly filled, stamped, signed and deposited, not less than 48 hours before the commencement of the Meeting at the Registered Office of the Company.

Pursuant to the provisions of Companies Act, 2013 and the rules thereunder, a person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
3. Pursuant to provisions of Clause 49 of the Listing Agreement, the particulars of Directors seeking appointment/ re-appointment/ Change in remuneration at this Annual General Meeting are annexed to the Notice.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from Wednesday, 16<sup>th</sup> day of September, 2015 to Wednesday, 23<sup>rd</sup> day of September, 2015, both days inclusive. The cut-off date for the purpose of remote e-voting and for physical voting is Wednesday, September 16, 2015. The E-voting facility will be available from 9:00 am on September 20, 2015 to 5:00 pm on September 22, 2015 after which the e-voting facility will not be available.
5. Members are requested to bring their copy of Annual Report to the Meeting.
6. Members / Proxies are requested to bring the Attendance Slip/proxy form duly filled in, sent herewith alongwith the notice of the AGM at the meeting. 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. No. for easier identification of attendance at the meeting.
7. Members are requested to notify any change of address:
  - a. to their depository participants in respect of shares held in dematerialized form, and
  - b. to Company/Registrar and Transfer Agent ("Karvy") in respect of shares in physical form, under their signatures and quoting folio number (including for change of residential status/e-mail id, bank details, etc.).
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. Those members who have not yet got their Equity Shares dematerialized, are requested to contact any of the Depository Participants in their vicinity for getting their shares dematerialized.
12. Members may avail the nomination facility as provided under Section 72 of the Companies Act, 2013.
13. Non-Resident Indian Members are requested to inform Karvy, immediately of:
  - (a) Change in their residential status on return to India for permanent settlement, and
  - (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
14. Members desiring any information as regards the Accounts are requested to write to the Company Secretary, giving at least 7 days notice prior to the date of Annual General Meeting to enable the Management to reply at the Meeting.
15. The notice of Annual General Meeting will be sent to those members / beneficial owners whose name will appear in the register of members / list of beneficiaries received from the depositories as on Friday, August 14, 2015. A person who is not a members as on the cut-off date i.e. September 16, 2015, should treat this Notice for information purposes only.
16. The Ministry of Corporate Affairs has undertaken a 'Green Initiative in the Corporate Governance' by allowing paperless compliances by Companies. Also, the Listing Agreement with the Stock Exchange(s) permits Companies to send soft copies of the Annual Report to all those shareholders who have registered their email address for the said purpose. Members are requested to support this Green Initiative by registering/updating their e-mail address for receiving electronic communications. The notice for Annual General Meeting alongwith the annual report of the Company will be made available on the Company's website- [www.fortishealthcare.com](http://www.fortishealthcare.com)
17. Pursuant to Sections 205A and 205C of the Companies Act, 1956 and/ or Section 123 of the Companies Act, 2013 and other applicable provisions, if any, all unclaimed/ unpaid application money remaining unclaimed/unpaid for a period of seven years from the date they became due for payment, in relation to the Company, have been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. No claim shall lie against the IEPF or the Company for the amounts so transferred nor shall any payment be made in respect of such claim.

18. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company /Karvy.
19. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
20. Electronic copy of the Notice of the 19<sup>th</sup> Annual General Meeting of the Company is being sent to all members whose email IDs are registered with the Company/ Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Notice is being sent in the permitted mode.
21. The Register of Directors and Key Managerial Personnel and their shareholding, Register of Contracts or Arrangements in which Directors are interested and all documents referred to in the Notice and Explanatory Statement will be available for inspection at the Company's registered office during normal business hours on the working days upto the date of Annual General Meeting.
22. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (substituted by Companies (Management and Administration) Amendment Rules, 2015) and other applicable provisions, if any, of Companies Act, 2013 and Clause 35B of the Listing Agreement, the assent or dissent of the shareholders in respect of the resolutions contained in the Annual General Meeting Notice is also being taken through e-voting facility provided through Karvy Computershare Private Limited.
23. The e-voting event number, User Id and Password along with the detailed instructions for remote e-voting are provided in the notice of remote e-voting, being sent along with the Notice of Annual General Meeting.
24. The result on resolutions shall be declared on or before closing business hours on Thursday, September 24, 2015 at the registered office of the Company and the same along with the scrutinizer's report shall also be available on the website of the Company and on the website of Karvy Computershare Private Limited.
25. The Route Map for the 19<sup>th</sup> Annual General Meeting of the Company alongwith the Landmark forms part of this Report.
26. The shareholders can opt for only one mode of voting i.e. remote e-voting or physical polling at the meeting. In case of voting by both the modes, vote casted through remote e-voting will be considered final and voting through physical ballot will not be considered. The members who have cast their vote by remote e-voting may also attend the Meeting.

## **EXPLANATORY STATEMENT**

**(Pursuant to Section 102(1) of the Companies Act, 2013)**

### **Item No. 3**

This explanatory statement is provided though strictly not required as per section 102 of the Companies Act, 2013.

The Companies Act, 2013 has introduced the concept of rotation of auditors. It states that no listed Company shall appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years (total 10 years). Further, an audit firm which has completed its term as aforesaid shall not be eligible for re-appointment as auditor in the same company for 5 years from completion of such term. The Companies Act, 2013 also allows a transition period of three years for complying with above.

M/s. S. R. Batliboi & Co. LLP, Chartered Accountants are the statutory auditors of the Company for the Financial Year 2000-01 and onwards. Since they have been the statutory auditors for a period of more than 10 years, it is mandatory for rotation of the auditors as per the Companies Act, 2013.

The provisions of the Companies Act, 2013 on transition of Auditors allow continuing with the current auditors for a period of 3 more years i.e. till March, 2017. However, the Shareholders based on the recommendation of Audit & Risk Management Committee and Board of Directors have in the last Annual General Meeting decided, that the tenure of current auditors be restricted to 1 year only and thus it is proposed to change the statutory auditors of the Company for Financial Year 2015-16 onwards.

The Board of Directors recommends to appoint M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, as Statutory Auditors of the Company for a period of 5 (Five) years commencing from Financial Year 2015-16, subject to ratification by members at each Annual General Meeting.

None of the Directors/ Key Managerial Personnel or their relatives are in any ways concerned or interested, financially or otherwise, in the proposed resolution.

### **Item No. 4**

Mr. Malvinder Mohan Singh, one of the promoter Directors of the Company, was appointed as a Whole-Time Director of the Company, designated as the Executive Chairman for a period of 5 years w.e.f. January 11, 2012, not drawing any remuneration, subject to the approval of the Central Government. Further, the Board of Directors had, at its meeting held on March 26, 2013, approved the variation to the terms of his appointment including payment of remuneration for a period of three years w.e.f. April 1, 2013 subject to the approval of the Central Government under Sections 196 and 197 read with Schedule V to Companies Act, 2013 (hereinafter referred to "the Act").

However, the said approval was in line with the provisions of Companies Act, 1956 and in view of the enactment of Companies Act, 2013, effective April 1, 2014, the terms of appointment of Mr. Malvinder Mohan Singh for payment of remuneration for the remaining period (i.e. April 1, 2014 to March 31, 2016) was approved by the shareholders through Postal Ballot on December 29, 2014, in accordance with the provisions laid down under the Act.

In view of the above, the tenure of appointment of Mr. Malvinder Mohan Singh will expire on March 31, 2016. On recommendation of the Nomination and Remuneration Committee, in recognition of the valuable services rendered by Mr. Singh, the Board of Directors had, in its meeting held on August 6, 2015, re-appointed him as Whole-time Director, designated as the "Executive Chairman" for further period of 3 years w.e.f. April 1, 2016, subject to the approval of shareholders of the Company and the Central Government under Sections 196 and 197 read with Schedule V of the Act.

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.

It is proposed to re-appoint Mr. Singh for a period of three years effective April 1, 2016 at a remuneration as detailed out in Item No. 4.

The above may be treated as written memorandum setting out the terms of re-appointment of Mr. Malvinder Mohan Singh under section 190 of the Companies Act, 2013.

The Board of Directors commends the resolution as set out at Item No. 4 for the approval of the Members as Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relative except Mr. Shivinder Mohan Singh and Mr. Harpal Singh (being related to Mr. Malvinder Mohan Singh) and Mr. Malvinder Mohan Singh himself, is/are in any way, concerned or interested, financial or otherwise, in the proposed resolution except to the extent of their respective shareholding in the Company, if any.

**The additional information as required by Schedule V to the Act 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, 2015:**

(Amount in ₹ lacs)

Particulars	For the year ended 31.03.2015 (Audited)
*Turnover and other income	82855.23
*Net profit after tax	(3655.97)

\*Excluding Exceptional Items

- (v) **Foreign investments or collaborations, if any:** NOT APPLICABLE.

#### **II. Information about the appointee**

##### **(i) Experience and Background details:**

Mr. Malvinder Mohan Singh, aged 42 years, earned his MBA from the Fuqua School of Business, Duke University, USA, and is an honors graduate in Economics. He is an accomplished industry leader and is widely recognized nationally and internationally as a flag-bearer of Indian business.

Malvinder incubated and established Fortis Healthcare Limited, in the early 2000's. Since then, he has assiduously transformed it into a leading healthcare delivery organization. Malvinder was instrumental in Fortis acquiring significant interests in Parkway, Asia Pacific's largest integrated healthcare company, and was its Chairman during the time. He also spearheaded Fortis' rapid growth through acquisitions in and outside India and the subsequent profitable divestment of its major international assets, to focus on its India hospitals and diagnostics business.

Recognizing the early need and the growing demand for high quality diagnostic services, Malvinder, a decade ago, had the foresight to nurture and build SRL, a company that is today highly regarded amongst the largest providers of comprehensive pathology, radiology and wellness services in the country. Over the years, SRL has introduced a number of high end diagnostic tests that were hitherto unavailable in India and continues to aggressively add to its ever-expanding repertoire and portfolio.

In the Financial Services and Insurance sectors, Malvinder has business interests through Religare Enterprises. He continues to be the majority shareholder in the company, but stepped down from the Board, in 2010, letting the professional management team and a professional Board run the organization.

Previously, Malvinder was Chairman, MD and CEO of Ranbaxy Laboratories. He led the expansion of Ranbaxy through a series of strategic partnerships and acquisitions resulting in Ranbaxy becoming a top 10 generic pharmaceutical company, globally. Later, he was instrumental in the coming together of Ranbaxy and Daiichi Sankyo, to create the world's fifteenth largest pharmaceutical company – a move seen as a game-changer by industry experts.

Malvinder supports a number of voluntary organizations, foundations and trusts who are doing path breaking work in rendering community service with a focus on curative and preventive health. He is a Trustee on the Fortis Foundation and a Patron of 'Nanhi Chhaan and 'Save the Children India'. He has also championed the cause of human dignity in India and is the Country Chair for 'Global Dignity', an autonomous non-profit organization.

Malvinder is a member of the Board of Visitors at the

Fuqua School of Business (Duke University, USA) and is on the Board of the Indian Council for Research on International Economic Relations (ICRIER). He is the Chairman for the National Council For Services, at CII (2013 Onwards), the Premier Industry Association, in India.

He is widely regarded for his business acumen and his acute understanding of the global and Indian economy as much as he is for his demonstrated ability to steer companies always keeping in mind the best interests of its stakeholders.

**(ii) Past remuneration drawn:**

During the Financial Year 2014-15, the remuneration drawn by Mr. Malvinder Mohan Singh subject to approval of Central Government, was as follows:

(Amount in ₹ Crore)

Salary	Perquisites and allowances	Commission, bonus and performance Linked incentive	Retiral Benefits	Others	Total cost to the Company
5.22	0	0	0	0.10	5.32

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

- Businessman of the year – World Sikh Awards, London (2014)
- Outstanding Entrepreneurship Award (2014)- Enterprise Asia
- Emerging Business Leaders of the Year Award (2012)- AIMA
- Indian Business Leader of the Year (2010)- NDTV
- Dynamic Entrepreneur of the year (2009) – Pharma Leadership Summit and Awards
- Ten People to watch in 2009 – Business World
- Business Man of the Year 2008 – Financial Chronicle
- Pharma 40 (2008) – World Pharmaceutical Frontiers Survey
- Golden Peacock Award for Business Leadership (2008)
- Amity Leadership Award (2008) - Amity Foundation
- Most Consistent Wealth Creator (2006) – Leading Brokerage Motilal Oswal
- India Business Leadership Award (2006) – CNBC TV18
- Pharma Excellence Award for leveraging Global Opportunity (2006) - Express Pharma
- Most Promising Young Corporate Leader (2006)
- Rajiv Gandhi Award (2005)
- Delhi Ratna Award (2005) - PHDCCI
- Udyog Ratna (2005) - PHDCCI

Board and the Management

- Providing strategic direction and guidance to the Board and the Senior Management of the company
- Overseeing Risk Management and Governance Frameworks across the organization
- Driving compliance to highest standards of Corporate Governance
- Driving the Vision, Mission, Values and Culture of the organization
- Assessing and ensuring that the Right Top Management Team is in place
- Strategic guidance in matters of longer-term growth strategy
- Reviewing Annual Operating Plans / Budgets & Operational & Financial business performance
- Overseeing significant Capital Structure decisions of the company
- Anchoring relationships with External Stakeholders
- Championing Innovation and Technology-led disruptions in the business model
- Representing the company on Policy matters with Government / Regulators
- Overseeing the Corporate Social Responsibility Framework and Programs

Malvinder is widely acknowledged as an international business leader and is known for his business acumen and strong leadership capabilities in shaping, guiding and leading large organisations in complex global environments. He has in-depth knowledge and experience in the healthcare sector.

**(iv) Job profile and suitability:**

As the Executive Chairman of the Company, he is responsible for the following activities:

- Ensuring effective and efficient Board Management
- Ensuring alignment between the Shareholders,

The company has made consistent progress under his Chairmanship and he has been instrumental in successfully establishing the Fortis Brand as synonymous with quality Healthcare and service excellence. Under his guidance, the organization has successfully become a leading national healthcare player, created an asset light business model, delevered

its balance sheet, exited International businesses, enhanced focus on India, increased operational performance of India business, brought greater focus on Clinical Excellence and Patient Centricity and has successfully grown SRL into the leading national diagnostics player.

**(v) Remuneration proposed:**

5% of Net Profits or ₹ 15,00,00,000 (₹ 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 Nomination and Remuneration Committee and revise it from time to time within the limits stipulated in this Resolution. Further, the Board of Directors on the recommendation of Nomination and Remuneration Committee, may pay remuneration to Mr. Malvinder Mohan Singh, exceeding the aforesaid limits, provided that total remuneration paid to all Executive Directors taken together shall not exceed 10% of Net Profits of the Company calculated in accordance with the provisions of Section 198 of Companies Act, 2013.

**(vi) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:**

The proposed remuneration of Mr. Malvinder Mohan Singh, who is a 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. Malvinder Mohan Singh directly holds 11,508 Equity Shares of the Company and being one of the promoters of the Company, indirectly (alongwith his relatives) holds 71.34% of the paid up capital. He is also related to Mr. Shivinder Mohan Singh, Executive Vice Chairman and Mr. Harpal Singh. Except proposed remuneration as stated above, Mr. Malvinder Mohan Singh does not have any other pecuniary relationship with the Company and its managerial personnel.

**(viii) Companies (other than Fortis Healthcare Limited, Foreign Companies and Section 8 Companies) in which Mr. Malvinder Mohan Singh holds Directorships:**

S. No.	Name of the Company
1	Oscar Investments Limited
2	SRL Limited
3	Fortis Clinical Research Limited
4	Ligare Voyages Limited
5	Luxury Farms Private Limited
6	Malav Holdings Private Limited

S. No.	Name of the Company
7	Fortis Healthcare Holdings Private Limited
8	Vistas Realtors Private Limited
9	Vistas Complexes Private Limited
10	RHC Holding Private Limited
11	RHC Finance Private Limited
12	Shimal Healthcare Private Limited

**\*Details of Membership in Committees of other Companies (excluding Private Companies, Foreign Companies and Section 8 Companies):**

S. No.	Name of Company	Name of Committee	Designation (Chairman/Member)
1	Oscar Investments Limited	Audit Committee	Member
2		Stakeholder Relationship Committee	Member

\*Includes only Audit Committee and Shareholder's/Investor Grievance Committee

Shareholding in the Company: 11508 equity shares of ₹ 10 each (direct).

Original date of appointment: August 12, 1999

During the Financial Year 2014-15, Mr. Singh has attended 5 Board Meetings of the Company (Out of Six held during the year).

**III. Other information:**

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

During the Financial Year 2014-15, the Company posted a Net loss of Rs. 33.91 Crores as against a Net Profit of Rs. 23.99 Crores during Financial Year 2013-14.

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

Healthcare facilities have a longer gestation period due to the capital intensive nature of the business. In the start-up phase a facility shows muted profitability as initial volumes are low and operating leverage is yet to be captured. As the facility matures with higher occupancies and volumes, operations begin to stabilize and as a result profitability improves. The Companies new facilities are progressively showing better performance as they ramp up.

The Company has historically followed an aggressive growth strategy in order to reach a certain size and scale and gain a pan-India footprint. This fast paced growth resulted in profit margin being under pressure. Going forward the Company expects to expand in a calibrated manner using its asset light strategy and expects to better utilize its existing infrastructure and assets and further strengthen its processes and systems to increase efficiency and improve profitability.



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

The Company focusses on providing tertiary and quaternary care healthcare services and has implemented its strategy to strengthen its key pillars under the “Lakhya” program. This pan – Fortis initiative strives to achieve excellence on the 5 core pillars of (1) Patient Centricity (2) Clinical Excellence (3) Community Connect (4) Talent Engagement (5) Investor Confidence that will drive the organization forward in the coming years.

The Company has further strengthened its focus on the India market and completed the last of its international divestments. The Company expects that as its existing facilities further ramp up led by improving occupancies, an increasing ARPOB a result of a better product mix and lower ALOS, the performance of the Company will progressively show a healthier picture. New facilities have shown an encouraging start and are expected to stabilize at the earliest and start contributing to profitability.

The Companies expansion strategy will be primarily organic in nature for the next few years will involve minimal capital expenditure as it plans to expand primarily through brownfield expansion i.e. expansion in existing facilities. A larger part of this expansion will entail investments by the Religare Health Trust in line with the Company’s asset light growth strategy. This will result in faster profitability as gestation periods will be significantly shorter and involve lesser initial costs. The Company does not foresee starting any new greenfield projects nor undertaking any acquisitions.

The Company continues to undertake a series of initiatives in order to further expand and strengthen its medical programs. In the year gone by it launched a number of medical specialties and treatment options in the field of oncology, gastroenterology and hepatobiliary sciences, dermatology, cosmetology and wellness. It commissioned an orthopedic and spine super specialty center, a center for Heart failure management and heart transplant and a center for sports orthopaedics and arthroscopy. All these new medical programs and centers with state of the art treatment options will further bolster the product mix, attract higher patient volumes at the Companies facilities and improve performance.

The Company strives to maximise efficiencies through the greater integration of its healthcare facilities through various programs and systems developed for this purpose which include Fortis Operating System (FOS) (a patient management system that seeks to enhance patient care services through the establishment of standardised non-clinical processes) and Central Purchase and Supply Management Program (to improve the procurement methodology and minimise costs associated with the supply chain by implementing standardisation of consumables, medical equipments and other items across facilities).

It has in the year gone by, also implemented and enterprise wide Oracle platform to align selected key functions and streamline processes and systems across the Fortis network.

**(iii) Expected increase in productivity and profits in measurable terms**

**(Amount ₹ In Crore)**

Years	Turnover	Profit before tax as per Statement of Profit and Loss
2015-16	779.77	(31.62)
2016-17	857.74	(13.16)
2017-18	943.52	(0.30)

**IV Disclosures-** General disclosures are given under Corporate Governance Report forming part of Board Report.

**Item No. 5**

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, 2012, 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 B60101565/4/2012- CL. VII dated October 17, 2013 as per the details summarized below:

Period	Remuneration approved (Amounts in ₹ Crore)
13/11/2012 to 12/11/2013	6.20
13/11/2013 to 12/11/2014	7.13
13/11/2014 to 12/11/2015	8.20
<b>TOTAL</b>	<b>21.53</b>

On the recommendation of the Nomination and Remuneration Committee, in recognition of the valuable services rendered by Mr. Singh, the Board of Directors had, at its meeting held on August 6, 2015, re-appointed him as Managing Director, designated as the “Executive Vice Chairman” for further period of 3 years w.e.f. November 13, 2015, subject to the approval of shareholders of the Company and the Central Government under Sections 196 and 197 read with Schedule V to the Companies Act, 2013 (hereinafter referred to “the Act”).

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.

It is proposed to re-appoint Mr. Singh for a period of three years effective November 13, 2015 at a remuneration as detailed out in Item No. 5

The above may be treated as written memorandum setting out the terms of re-appointment of Mr. Shivinder Mohan Singh under section 190 of the Companies Act, 2013.

The Board of Directors commends the resolution as set out at Item No. 5 for the approval of the Members as Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Mr. Malvinder Mohan Singh (being related to Mr. Shivinder Mohan Singh) and Mr. Shivinder Mohan Singh himself, is/are in any way concerned or interested, financially or otherwise, in the proposed resolution except to the extent of their respective shareholding in the Company, if any.

**The additional information as required by Schedule V to the Act 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, 2015:**

(Amount ₹ In lac)

Particulars	For the year ended 31.03.2015 (Audited)
*Turnover and other income	82855.23
*Net profit after tax	(3655.97)

\*Excluding Exceptional Items

- (v) **Foreign investments or collaborations, if any:** NOT APPLICABLE.

## II. Information about the appointee

- (i) **Background details, Experience and Rewards and Recognitions:**

Mr. Shivinder Mohan Singh, aged 40 years, is an entrepreneur who aspires to change the way Healthcare is delivered in India and the world. He is currently the Executive Vice Chairman of Fortis Healthcare Limited, a leading integrated healthcare delivery provider in India and is driven by a vision to save and enrich lives through clinical excellence.

In his previous roles, Shivinder, created the foundation of the culture of Fortis by leading the first hospital

at Mohali as its COO. He also led the development of Fortis through its initial years by conceptualizing its strategy and growth through various Greenfield projects and acquisitions. He was instrumental in the group's effort for the acquisition of Escorts Heart Institute and Research Centre Ltd (EHIRCL) in 2005; Malar Hospital in Chennai in 2008 and the Wockhardt acquisition in 2009. He has conceptualized, designed and built the most modern hospital in India and Asia, the Fortis Memorial Research Institute, a destination hospital in Asia.

Shivinder is also one of the principal promoters of Religare Enterprises Limited and SRL Limited, India's largest diagnostic network.

He is actively involved in many industry bodies and various new initiatives. Shivinder is on the Steering Committee of Federation of Indian Chambers of Commerce and Industry (FICCI). He is a board member of Aspen India and a Governing Council Member of All India Management Association (AIMA). He also chairs FICCI's Committee on Culture and is one of the Founders of NATHEALTH (the Healthcare Federation of India).

Shivinder is on the Advisory Board of AIESEC India, the world's largest student-run organisation and a platform for young people to explore and develop their leadership potential for a positive impact on society.

He was recently nominated as a Young Global Leader 2013 by the World Economic Forum.

Shivinder has done his MBA with specialisation 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.

Shivinder is also on the board of visitors of Duke University Business School, Durham, NC, USA.

While healthcare is a passion for Shivinder, his dream is to contribute in building a vibrant India. He is actively involved in initiatives focusing on social change, including the 'Little Hearts' programme, that supports life saving cardiac surgeries to the less privileged children. He is also involved in a number of initiatives that focus on a better future for the girl child and institutionalizing delivery and education.

- (ii) **Past remuneration drawn:**

During the Financial Year 2014-15, the remuneration drawn by Mr. Shivinder Mohan Singh, in terms of Central Government approval Letter No. SRN B60101565/4/2012- CL. VII dated October 17, 2013 was as follows:

(Amount in ₹ Crore)

Salary	Perquisites and allowances	Commission, bonus and performance Linked incentive	Retiral Benefits	Others	Total cost to the Company
5.22	0	0	0	0.14	5.36