



FORTIS HEALTHCARE LIMITED

CIN: L85110DL1996PLC076704

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NOTICE OF POSTAL BALLOT

(Pursuant to Section 110 of the Companies Act, 2013 read with read with Rule 22 of the Companies (Management and Administration) Rules, 2014)

Dear Member(s),

Notice is hereby given to the members of Fortis Healthcare Limited ('the Company') pursuant to Section 110 of the Companies Act, 2013 ('the Act'), read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), that Company seeks approval of members to pass the following Resolutions as Special Resolutions, by means of a Postal Ballot:

- (i) To consider and approve amendment in the Objects Clause of the Memorandum of Association of the Company.
- (ii) To consider and adopt new set of Articles of Association of the Company.
- (iii) To make loans or investments under Section 186 of the Companies Act, 2013.
- (iv) To sell whole or substantially the whole of the undertaking of the Company.
- (v) To approve entering into the Related Party transactions under Section 188 of the Companies Act, 2013.
- (vi) To approve variation in terms of appointment including remuneration of Mr. Malvinder Mohan Singh, Executive Chairman.

Your consideration and approval by Postal Ballot is sought for the enclosed Resolutions. The Statement under Section 102(1) of the Act setting out the material facts and reasons for the Resolutions is also appended herewith and is being sent to you along with the 'Postal Ballot Form' for your consideration.

Mr. Mukesh Manglik, Company Secretary in Whole-time Practice (C.P. No. 8476) has been appointed by the Board of Directors of your Company as the Scrutinizer to conduct the Postal Ballot process in a fair and transparent manner. This Notice is being sent to all the Members whose name appears as on Friday, November 14, 2014 in the Register of Members/List of Beneficial Owners and as received from Karvy Computershare Private Limited (KCPL), the Registrar and Transfer Agent of the Company.

You are requested to carefully read the instructions printed on the Postal Ballot Form attached hereto, fill up the Postal Ballot Form, give your assent or dissent on the resolutions at the end of the Postal Ballot Form and return the duly completed and signed the Original Postal Ballot Form (no other form or photocopy thereof is permitted) in the enclosed self-addressed postage pre-paid envelope so as to reach the Scrutinizer on or before the close of working hours (i.e. 1730 Hrs IST) on Saturday, December 27, 2014. Ballots received thereafter will be strictly treated as if no reply has been received from the Member.

Further, in compliance with Clause 35B of the Listing Agreement with Stock Exchanges and provisions of Section 110 of the Act read with the Companies (Management and Administration), Rules, 2014, the Company is pleased to offer e-voting facility as an alternate, for all the Members of the Company. For this purpose, the Company has entered into an agreement with KCPL for facilitating e-voting to enable the Members to cast their votes electronically, instead of filling and dispatching the Postal Ballot Form. Please read carefully the instructions regarding e-voting as mentioned in Notes to this Notice of Postal Ballot.

Please note that e-voting is optional. Members having shares in demat form and in physical form may vote either by way of Postal Ballot Form or by way of e-voting.

SPECIAL BUSINESS

ITEM No. 1

Amendment of the Objects Clause of the Memorandum of Association of the Company

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

"RESOLVED THAT in accordance with the provisions of Sections 4, 13 and other applicable provisions and rules, if any, of the Companies Act, 2013, (the "Act") (including any statutory modifications or re-enactment thereof, for the time being in force), Listing Agreements entered into by the Company with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) where the shares of the Company are listed, the guidelines, regulations, circulars and clarifications issued by the Government of India (GOI), Securities and Exchange Board of India (SEBI) and any other statutory or regulatory authority(ies) and subject to all necessary approvals, consents, permissions and/or sanctions as may be necessary and further subject to any such conditions and modifications as may be prescribed or imposed by any one or more of them while granting any such approvals, consents, permissions or sanctions agreed to by the Board of Directors of the Company, the consent of the members of Company be and is hereby accorded for alteration of the Objects Clause of the Memorandum of Association of the Company by substituting the existing Clause III in Memorandum of Association by the following clause:

III. (A) Main objects to be pursued by the Company on its incorporation are:

1. To purchase, lease or otherwise acquire, establish, maintain, operate, run, manage or administer hospitals, medicare, health care, diagnostic, health aids, and research centers.
2. To provide medical relief to the public in all branches of medical schemes by all available means.
3. To carry out medical and clinical research by engaging in the research and development of all medical sciences, and therapies.
4. To undertake, promote or engage in all kinds of research including clinical research and development work required to promote, assist or engage in setting up hospitals, health care centres and facilities for manufacturing medical equipments etc.
5. To provide, encourage, initiate or promote facilities for the discovery, improvement or development of new methods of diagnostic, understanding and prevention and treatment of disease.
6. To establish, run, promote and make investment in, educational institutions, schools, colleges, technical educational institutes for imparting medical and healthcare education and management training including in the fields of medicine, nursing, physical medicine and rehabilitative medicine, pharmacy and allied medical administration and management of such medical institutions including Health and Hospital Management, Training and Development, Pharmaceutical Management, Hospitality, Programmes for skills and competency development, Training and certification of professionals.

(B) The objects incidental or ancillary to the attainment of the main objects are:

1. To provide, encourage, initiate or promote facilities for the discovery, improvement or development of new methods of diagnosis, understanding and prevention and treat of diseases.
2. To conduct and to carry on experiments and to provide funds for research works and for scholarships, stipend, remuneration and/or other payments or aid to any person or persons encouraged in research work, or work connected with or conducive to research and to encourage and to improve knowledge of the persons who are engaged or likely to be engaged in any medical or related profession so as to make available medical relief to the public at large.
3. To promote manage, cooperate with or afford assistance to or otherwise assist the work of any other foundation, institution or body engaged in medical research, treatment.
4. To establish, maintain and/or manage hostel, building houses, staff quarters and other conveniences for the benefit of the students, staff and other employees of the Company.
5. To purchase, take on lease, or in exchange, hire or otherwise acquire any estates, land or lands, in India, or elsewhere, and any rights, privileges, and easements and concessions and factories machinery, implements, tools, live and dead stock, stores effects and other property, real or personal, immovable or movable of any kind which may be required for attaining the main objects.
6. To buy or generate for its own use or otherwise steam, heat, light, electricity, gas, motive power and hydro-electric or water power for the purpose of the business of the Company.
7. To construct, maintain and alter any buildings, or works, necessary or convenient for the purposes of this company and to purchase, hire, construct, improve, maintain, work, manage, carry out, or control any roads, branches of sidings, bridges, reservoirs, water courses, river transport services, wharves, manufactories, warehouses, electric workshops, stores, jetties, and other conveniences and works which may seem calculated directly or indirectly to advance the company's interest and to contribute to subsidise or otherwise assist or take part in the constructions, improvements, maintenance, workings, management, carrying out, or control thereof.

8. To acquire from any sovereign, state or authorities in India or elsewhere, any concessions, grants, decrease, rights, powers and privileges whatsoever, which may seem to the company capable of being turned to account and to work, develop, carryout, exercise and turn to account the same.
9. To plant, grow and produce agricultural products and other produce of any kind in India or elsewhere necessary or useful for the business of the company.
10. Generally to undertake and carry on any business, transactions or operation commonly undertaken or carried on by explorers, prospectors, or concessionaires and to carry on any other business which may seem to the company capable of being conveniently carried on in connection with any of the objects of the company, or which may be thought calculated directly or indirectly to enhance the value of or render profitable, any of the company's property or rights.
11. To enter into any arrangements or agreement with any Government, State or authority, municipal, local or otherwise, or any corporation, companies, or persons that may seem conducive to the attainment of the company's objects or any of them and to obtain from any such Government, State authority, Co-operation, Company or persons any rights, privileges or concessions and to carry out, exercise and comply with such arrangement or agreement.
12. To apply for, promote and obtain any Act of Legislature or other authority for enabling the Company to carry any of its objects into effect, or for effecting any modification of the company's constitution or for any other purpose which may seem expedient and to oppose any proceedings or applications which may seem calculated directly, or indirectly to prejudice the company's interests.
13. To acquire by purchase or otherwise for the business of the company in India or elsewhere, any lands, manufactories, buildings, mills, plants, engines, machinery and other things found necessary for the business of the Company.
14. To establish and carry on and to promote the establishment of and carrying on, any property in which the Company is interested, for any business which may be conveniently carried on in connection with such property and the establishment of which may seem calculated to enhance the scope of the Company's interest in such property, or to facilitate the disposal thereof.
15. To exercise, conduct, research, develop, grant licences, in respect of, sell, let, or otherwise turn to account any inventions, processes, letters Patent, licences, concessions, rights or privileges belonging to the company or which it may acquire, or any interest in the same; to apply for takeout and register any patent or patents for any invention or inventions, or obtain exclusive or other privileges, in respect of the same, in any part of the world; and to manufacture and produce and trade and deal in all machinery, plant, articles, appliances and things capable of being manufactured, produced or traded in by virtue of or in connection with any inventions, processes, letters patent, brevets d'inventions, licences, concessions, rights or privileges as aforesaid.
16. To form, promote, subsidise, organise, and assist or aid in forming, promoting, subsidising, organising or aiding companies, syndicates or partnerships of all kinds for the purpose of acquiring and undertaking any property and liabilities of the Company or of advancing directly or indirectly the object thereof and to take or otherwise acquire and to hold shares in any other company having objects similar to those of this Company.
17. To draw, make, accept, endorse, execute, issue and negotiate bills of exchange, promissory notes, cheques, drafts, hundies and other instruments of every description.
18. To issue money on deposit, at interest or otherwise and to lend and advance money with or without security to such persons and companies and on such terms as may seem expedient. However the Company shall not do the business of banking as defined in the Banking Companies Regulation Act, 1949.
19. To receive money on deposit, at interest or otherwise and to lend and advance money with or without security to such persons and companies and on such terms as may seem expedient. However the Company shall not do the business of banking as defined in the Banking Companies Regulation Act, 1949 and subject to section 73 of the Companies Act, 2013 and the rules thereunder.
20. To lay out, advance, invest and deal with the Company's moneys to such person or company and in or upon such investments or securities and generally in such manner as may from time to time be determined.
21. To Procure the Company to be registered, incorporated or recognized in any place outside India.
22. To give donations or subscriptions to any religious, charitable or social institutions or to give any charity incidental to or conducive to any business that may be carried on by the Company.
23. To distribute any of the properties of the Company among the members in specie or otherwise, but so that no distribution amounting to a reduction in capital be made without the sanction (if any) for the time being required by the law.

24. To pay for any property or rights acquired by the Company either in cash or fully or partly paid shares with or without preferred or deferred rights in respect of dividends or repayment of capital or otherwise or by any securities which the Company has power to issue or partly in one mode and partly in another and generally on such terms as the Company may determine.
25. To take part in management, supervision, or control of the business or operation of any company or undertaking and for that purpose to appoint and remunerate directors, accountants, or other experts or officers, but not act as Manager or Managing Agent of any other Company.
26. To sell, exchange, mortgage (with or without power of sale) assign, lease, sublet and generally otherwise deal with the whole or any part of the business, estate property or undertaking of the Company, as a going concern, to any person or persons, association or associations, or otherwise for such consideration as the company may think fit, either for cash or for shares, debentures, or securities for any other company having objects altogether, or in part, similar to the objects of this company and to hold or distribute among the members in specie or otherwise the whole or part of the consideration for such sale or amalgamation with any person, company or association.
27. To establish or aid in the establishment of associations, institutions, funds, trusts and charities and other conveniences intended to benefit employees or ex-employees of the company or their dependents and to grant pension or allowances and generally to subscribe money for any public general or useful objects.
28. To pay all or any expenses incurred in connection with the promotion, formation, and incorporation of the Company or to contract with any person, firm or company to pay the same and to pay commission to brokers and others for underwriting, placing, selling or guaranteeing the subscription of any shares, debentures, debenture stock or securities of this company.
29. To insure with any person, firm, association or Company against losses, damages, risks and liabilities of any kind which may affect the Company either wholly or partially and if thought fit, to effect any such insurance by joining or becoming a member of any mutual insurance, protection or indemnity association, federation or society and to accept any such insurance or any part thereof for the account of the Company.
30. To enter into all contracts with persons in India or outside for the purchase or sale of all goods, materials, commodities, metals, minerals, jewels, stores, provisions and produce of all kinds, both raw and manufactured, for the business of the Company and to make advances to persons in India or outside in respect of such contracts for the development of the business of the Company.
31. To establish and construct buildings and houses required to accommodate officers and workman as may be found necessary.
32. To subscribe for, conditionally or unconditionally or absolutely, purchase, hold, underwrite, negotiate, and deal in loans, stocks, shares, bonds, or obligations of any Government, State or Central, local authority, port trust, municipal body, or any company or other corporation and the shares, stock, debentures and debenture stock (whether perpetual or terminable) of any Joint Stock company or Co-partnership and investments of all kinds.
33. To purchase or otherwise acquire, undertake and carry on the whole or any part of the business, goodwill, property, assets and liabilities of any person or persons, firm or company carrying on any business of any nature altogether or in part similar to any business which the Company is authorised to carry on or possessed of property suitable for the purposes of the Company and to pay for the same and all other properties or rights of whatever kind acquired by the company in cash or in shares, debentures, debenture-stocks of the company to carry on, pending a sale of realisation, any business which the Company may as mortgage have taken possession of or acquired.
34. To amalgamate, enter into partnership or any arrangement whether terminable or otherwise, for sharing profits, union of interest, joint adventure, reciprocal concessions, co-operation, or otherwise, with any person or persons, firm, association, company or corporation, having objects altogether or in part similar to those of the Company or carrying on or about to carry on or engaged in or about to engage in any business or transaction which the Company is authorised to carry on and to lend money and to guarantee the contracts and to subsidise or otherwise assist any such persons, persons, firm, association, corporation or company; to subscribe for and to take and otherwise acquire and to hold shares or other interest or stock or securities, of any such person, persons, firm, association, corporation or company and to sell, hold re-issue with or without guarantee or otherwise deal same and accept other shares in exchange for the same; and to form, constitute or permit any other company or companies for the purpose of acquiring all or any of the properties, rights and liabilities of this Company.
35. To join and participate in any Chamber of Commerce or Commercial institutions or Bodies as member or associate member and pay all subscriptions and other amounts for such purpose.
36. To employ experts to investigate and examine into the conditions, prospects, value, character and circumstances of any business concerns and undertakings and generally of any assets, property or rights.

37. To establish, promote, form and subsidise or otherwise assist in establishing, promoting, forming and subsidising any other Company and to prosecute or assist in the prosecution of any other undertakings or enterprises of any description and to secure by underwriting or otherwise in subscription of all or any shares, debentures, debenture-stock or other securities of this Company or any other Company and to pay and to receive any commission, brokerage or other remuneration in connection there with and to obtain a settlement of quotation upon any exchange of any share, loan or other capital of this Company or any other Company.
38. To promote and to form and to be interested in and take hold and dispose of shares in other companies for all or any of the objects mentioned in this Memorandum of Association and to transfer to any such Company and to take or otherwise acquire, hold and dispose of shares debentures and other securities in or of any such Company and to subsidise or otherwise assist any such Company.
39. To assist any Company, financially or otherwise by issuing or by subscribing for or guaranteeing the subscription and issue of capital, shares, stock, debentures, debenture-stock or other securities and to take, hold and deal in shares, stock and securities of any Company notwithstanding any liability that may be thereon.
40. To acquire and hold shares in any other Company and pay for properties, rights or privileges, acquired by this Company, either in shares of this Company or partly in cash or otherwise and to give shares or stock of this Company in exchange for shares or stock of any other Company, provided that the investments are made out of surplus funds.
41. To float and bring into existence such companies as may appear advantageous and to conduct the business of such companies as their Agents.
42. To undertake and carry on any business transaction or operation commonly undertaken or carried on by financiers, promoters of companies, bankers, underwriters, concessionaires and contractors for, public and other works, capitalist or merchants, in particular to underwrite issue and place shares, stocks, bonds, debenture-stocks and securities.
43. To effect insurances and assurances on the lives of any debtors to the Company or on the lives of any other persons in whom the Company may have an assurable interest and to pay the premiums and other moneys required to keep up the policies of assurances out of the moneys of the Company.
44. To open and keep register or registers in any country or countries where it may deem advisable to do so and to allocate any number of shares in the Company to such register or registers.
45. To improve, manage, work, develop, lease, mortgage, abandon or otherwise deal with all or any of the properties of the Company rights and concessions of the Company.
46. To create any depreciation fund, Reserve Fund, Insurance Fund, Sinking Fund or any other Special Fund, whether for depreciation or repairs, replacement, improving, extending or maintaining any of the properties of the Company, or for any other purposes conducive to the interests of the Company.
47. To place to reserve or to distribute as dividend or bonus among the members or otherwise to apply, as the Company from time to time may think fit any moneys received by way of premium on shares or debentures issued at a premium by the Company and any moneys received in respect of dividends accrued on forfeited shares and moneys arising from the sale by the Company of forfeited shares or from unclaimed dividends.
48. To capitalise its reserves and issue bonus shares.
49. To adopt such means of makings known the business of the Company as may seem expedient and in particular by advertising in the press by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes not falling under the provisions of Lotteries Act, rewards and donations.
50. To provide for the welfare of the employee or ex-employees of the company and the wives, widows and families of the dependents or connections of such persons by building or contributing for the building of houses, dwelling or chawls or by grants of money pensions, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing to provident fund and other associations, institutions, funds or trusts, and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendants and other assistance as the Company shall think fit.
51. Subject to Section 73 and 179 and 180 of the Companies Act, 2013, to borrow or raise money, or receive monies on deposit, interest or otherwise in such manner as the company may think fit for the business of the Company including by issue of debentures perpetual or otherwise including debentures convertible into shares, or perpetual annuities and on security of any such money so borrowed, raised or received, to mortgage, pledge or charge the whole or any part of the property, assets or revenue of the Company, present or future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale of the property except uncalled capital and other powers as may seem expedient, and to purchase, redeem, or pay off any such securities.

52. To apply the assets of the Company in any way in or towards the establishment, maintenance or extension of any association, institution or fund in any way connected with any particular trade or business or with trade or commerce generally including any association, institution or fund for the protection of the interests of masters, owners and employees against loss by bad debts, strikes, combinations, fire, accident or otherwise or for the benefit of any clerks, workman or other at any time employed by the Company or other families or dependents and whether or not in common with other persons or classes of persons and in particular of friendly, co-operative and other societies, reading rooms, libraries, educational and charitable institutions, refractories, dining and recreation rooms, places of workshop, schools and hospitals and to grant gratuities, pensions and allowances and to contribute to any funds raised by public or local subscriptions for any purpose whatsoever.
53. To establish and support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit person who are or have been Directors or who are or have been employed by or who are serving or have served the Company or any Company which is a subsidiary of the Company or the dependents or connections of such persons and to grant pensions and allowances and to make payment towards insurance.

RESOLVED FURTHER THAT the Board of Directors be and are hereby severally authorized to undertake all such acts, deeds, matters and things to finalise and execute all such deeds, documents and writings as may be deemed necessary, proper, desirable and expedient in its absolute discretion, to enable this resolution, and to settle any question, difficulty or doubt that may arise in this regard.

RESOLVED FURTHER THAT the Board of Directors be and are hereby severally authorised to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any Director of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution."

ITEM No. 2

Adoption of new set of Articles of Association of the Company

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

"RESOLVED THAT in accordance with the provisions of Sections 5, 14 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with the Companies (Incorporation) Rules, 2014 (including any statutory modifications or re-enactment thereof, for the time being in force), the Articles of Association of the Company, Listing Agreement as entered into by the Company with the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and subject to all necessary approvals, consents, permissions and/or sanctions as may be necessary and subject to any such conditions and modifications as may be prescribed or imposed by any one or more of them while granting any such approvals, consents, permissions or sanctions agreed to, by the Board of Directors of the Company, the draft regulations contained in the Articles of Association which are available for public inspection at the registered office of the Company and on the Company's website, be and are hereby approved and adopted in substitution and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors be and are hereby severally authorised to undertake all such acts, deeds, matters and things to finalize and execute all such deeds, documents and writings as may be deemed necessary, proper, desirable and expedient in its absolute discretion, to enable this resolution, and to settle any question, difficulty or doubt that may arise in this regard.

RESOLVED FURTHER THAT the Board of Directors be and are hereby severally authorised to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any Director of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution."

ITEM No. 3

To make Loans and Investments under Section 186 of the Companies Act, 2013

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

"RESOLVED THAT pursuant to the provisions of Section 186 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, and subject to other approvals, consents, sanctions and permissions of the appropriate authorities, departments or bodies as may be necessary, consent of the Members of the Company be and is hereby accorded, to the Board of Directors including any Committee thereof (hereinafter referred to as "the Board") to:-

- (i) give loans to any person or other body corporate;
- (ii) give any guarantees or to provide security in connection with a loan to any other body corporate or person; and
- (iii) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate.

exceeding 60% of the Company's paid-up share capital, securities premium account and free reserves or 100% of the Company's free reserves and security premium account, whichever is more, as the Board of Directors may think fit, in one or more tranches, provided that the outstanding amount at any point of time shall not exceed Rs. 16,000,00,00,000 (Rupees Sixteen Thousand Crore Only) over and above the prescribed limits.

RESOLVED FURTHER THAT the Board of Directors be and are hereby severally authorised to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any Director of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution and to do all such deeds, acts and things as may be necessary, desirable or expedient in connection therewith."

ITEM No. 4

Selling of whole or substantially the whole of the undertaking of the Company

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

"RESOLVED THAT in supersession of the earlier resolutions, passed in this regard, if any, pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 (as amended or re-enacted from time to time) and other applicable provisions if any, enabling provisions in the Memorandum and Articles of Association of the Company and also provisions of any other applicable laws, rules and regulations, Listing Agreement as entered into by the Company with the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) (including any amendments thereto or re-enactment thereof for the time being in force) and subject to such approvals, consents, permissions and sanctions of the Securities and Exchange Board of India ("SEBI") and all other appropriate and/or concerned authority(ies), or bodies and subject to such conditions and modifications, as may be prescribed by any of them in granting such approval, consents, permissions and sanctions, the consent of the members of the Company be and is hereby accorded to sell the whole or substantially whole of the undertaking to any person on such terms and conditions as may be mutually decided between the Board and such other person.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorized to negotiate, deal and finalise the terms and conditions and to sign, file, amend, modify, cancel or withdraw any agreement, undertaking, document or paper as may be necessary to carry out the aforesaid sale / transfer and to sign, execute and file all such applications, forms, papers and documents with SEBI, Stock Exchanges and/or other Statutory Authority(ies), as may be required and to do all such acts, deeds, things and matters including appointing attorney(ies) or authorised representative(s), as may be considered necessary or expedient, to give effect to this Resolution and to do all such deeds, acts, matters and things as may be necessary, desirable or expedient in connection therewith."

ITEM No. 5

Approval for entering into Related Party Transactions

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

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 read with the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Members of the Company be and is hereby accorded to enter into transactions with the following Related Parties and for the maximum amounts per annum, as mentioned herein below:

SI no.	Nature of transaction as per Companies Act, 2013	Name of the Director/ KMP who is related and nature of their relationship	Name of the Related Party	Relationship	Particulars/ Material Terms and conditions of the transaction
1	Rendering and availing of Services	None	Escorts Heart and Super Specialty Hospital Limited	Associate Company	Existing Hospital Service Agreement is a continuous agreement having Variable fee @ 7.5% of operating revenue as per the agreement + Fixed quarterly fee of Rs. 3.70 Crore + increased by 3% p.a. with non-recurring fixed fee of Rs. 3.63 Crore for FY 2014-15 and Rs. 2.45 crore for FY 2015-16.
2	Rendering and availing of Services	None	Fortis Hospotel Limited	Subsidiary Company	Existing Hospital Service Agreement is a continuous agreement having Base Service Fees: - Rs. 16.54 crore+ Increased by 3% at the beginning of each Financial Year. Variable Service Fees: - 7.5% of Operating Revenue as per the agreement.

RESOLVED FURTHER THAT the Board of Directors of the Company and/or a Committee thereof, be and are hereby, severally authorized to do or cause to be done all such acts, matters, deeds and things and to settle any queries, difficulties, doubts that may arise with regard to any transaction with the related party(ies) and execute such agreements, documents and writings and to make such filings, as may be necessary or desirable for the purpose of giving effect to this resolution, in the best interest of the Company."

ITEM No. 6

Approval for Variation in terms of appointment including remuneration of Mr. Malvinder Mohan Singh, Executive Chairman

"RESOLVED THAT subject to the approval of the Central Government and in accordance with the provisions of Sections 196 and 197 read with Schedule V and other applicable provisions of the Companies Act, 2013, if any, (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 applicable regulatory and other approvals, consents and permissions as may be necessary in this regard and subject 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 the variation of the terms of appointment of Mr. Malvinder Mohan Singh, Whole-time Director of the Company, designated as "Executive Chairman", with effect from April 1, 2014 for a period of two years, on the following terms and conditions: -

- A. **Total Remuneration:** Upto an amount not exceeding Rs. 15,00,00,000 (Rupees Fifteen Crores only) per annum, with the authority granted to the Nomination and Remuneration Committee to determine the total remuneration 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 Company's Policy in this regard from time to time:

- i. Provision of Company maintained Car(s) for use 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. Malvinder Mohan 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, wherein 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 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. 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 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 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."

By Order of the Board
For Fortis Healthcare Limited

Date: November 13, 2014
Place: Gurgaon

Rahul Ranjan
Company Secretary
ICSI Membership No. - A17035

- Encl: 1. Postal Ballot Form
2. Postage- prepaid envelope

NOTES:

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 and Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, is annexed hereto.
2. The Notice is being sent to all the Members, whose names would appear in the Register of Members / Record of Depositories as on Friday, November 14, 2014.
3. **The Company also offers e-voting facility.**

The instructions for Members opting for E-voting are as under:

In case of Member(s) receiving e-mail from Karvy Computershare Private Limited:

- a. For Members whose email address is registered- open the attached PDF file "FortisHealthcare e-voting.pdf" by giving your Client Id (in case you are holding share(s) in demat mode) or Folio No. (in case you are holding shares in physical mode) as default password which contains your "User Id" and "Password" for e-voting;
- b. For Members who have not registered their email ids: please refer to the user id and password printed on the Postal Ballot Form;
- c. Please note that the password is an initial password;
- d. Open internet browser by typing the URL: <https://evoting.karvy.com>;
- e. Click on Member- Login;
- f. Put user ID and password as initial password noted in step (a) above and click Login;
- g. Password change menu appears. Change the password with new password of your choice with minimum 8 characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Note your new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential;
- h. Home page of e-Voting opens. Click on e-Voting: Active Voting Cycles;
- i. Select "EVEN" (i.e. E-Voting Event Number) of Fortis Healthcare Limited;
- j. Now you are ready for e-Voting as Cast Vote page opens. Voting period commences on November 28, 2014 (1000 Hrs) and ends on December 27, 2014 (1730 Hrs).
- k. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted. Upon confirmation, the message "Vote cast successfully" will be displayed. Once you have voted on the resolution, you will not be allowed to modify your vote;
- l. Institutional Members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (in PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at secretarial@fortishealthcare.com with a copy marked to evoting@karvy.com;
- m. In case Members desiring split voting i.e. voting FOR and AGAINST on the same resolution, can do so by downloading Postal Ballot Form from the link <https://evoting.karvy.com> or www.fortishealthcare.com or by obtaining duplicate form from the Company's Registrar and Share Transfer Agent, M/s. Karvy Computershare Private Limited, Unit: Plot No.17-24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081.

In case of Members receiving Postal Ballot Form by Post:

- i) Initial password is provided as below, at the bottom of the Postal Ballot Form:

EVEN (E-Voting Event Number)	USER ID	PASSWORD / PIN

- ii) Please follow all steps from Sl. No. (a) to (m) mentioned above, to cast vote.

In case of any queries, you may refer to the Frequently Asked Questions (FAQs) and e-voting user manual for members available at the website of E-voting Platform Provider viz. <https://evoting.karvy.com> or contact M/s. Karvy Computershare Private Limited at toll free number 1800 345 4001.

If you are already registered with M/s Karvy Computershare Private Limited for e-voting then you can use your existing user ID and password for casting your vote.

You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

4. Members who have registered their e-mail IDs for receipt of documents in electronic mode under the Green Initiative of Ministry of Corporate Affairs are being sent Notice of Postal Ballot by e-mail and others are sent by post along with Postal Ballot Form. Members who have received Postal Ballot Notice by e-mail and who wish to vote through Physical Postal Ballot Form can download Postal Ballot Form from the link <https://evoting.karvy.com> or www.fortishealthcare.com or seek duplicate Postal Ballot Form from M/s. Karvy Computershare Private Limited, Plot No. 17 to 24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081, India or Fortis Healthcare Limited, Escorts Heart Institute and Research Centre, Okhla Road, New Delhi- 110025, fill in the details and send the same to the Scrutinizer.
5. Kindly note that the Members can opt ONLY ONE MODE OF VOTING, i.e. either by Physical Ballot or E-voting. If you are opting for e-voting, then do not vote by Physical Ballot and vice versa. However, in case Members cast their vote by Physical Ballot and E-voting both, then vote cast e-voting will be treated as valid.
6. Members desiring to exercise vote by Physical Postal Ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed and signed in the enclosed self-addressed business reply envelope to the Scrutinizer. The postage cost will be borne by the Company. However, envelopes containing Postal Ballots, if sent by courier or registered/speed post at the expense of the Members will also be accepted.
7. The voting rights of Members shall be in proportion to their shares in the Paid-up Equity Share Capital of the Company as on Friday, November 14, 2014.
8. The result of the Postal Ballot shall be declared by the Executive Chairman or Executive Vice Chairman, or in his absence by any other person, so authorized by them on December 29, 2014 at 4.00 p.m. at the Registered Office of the Company at Escorts Heart Institute and Research Centre, Okhla Road, New Delhi- 110025 and the resolution will be taken as passed effectively on the date of announcement of the result by the Chairman or such other person, if the results of the Postal Ballots indicates that the requisite majority of the Members had assented to the Resolution. The result of the Postal Ballot shall also be announced through a newspaper advertisement and hosted on the website of the Company www.fortishealthcare.com.
9. A copy of the documents referred to in the accompanying Explanatory Statement are open for inspection at the Registered Office of the Company on all working days, i.e. from Monday to Friday, between 10.00 a.m. and 12.00 noon, up to the date of declaration of the result of Postal Ballot.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 1

In order to rationalize and enlarge the main objects clause in line with of the Companies Act, 2013 (the "Act"), your Directors proposed to alter existing Objects under Clause III of the Memorandum of Association of the Company. The alteration of the Objects clause of the Memorandum of Association of the Company needs approval of Members of the Company by way of a Special Resolution.

In terms of Section 110 of the Act and the Companies (Management and Administration) Rules, 2014, the said resolution is required to be passed through postal ballot process.

The Board of Directors of the Company commends the resolution at Item No. 1 for your approval by way of a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives 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.

Further, revised set of Memorandum of Association post incorporating above amendment is available for inspection at the Registered Office of the Company on any working day i.e. from Monday to Friday during 10:00 A.M. to 12.00 noon upto the date of declaration of result of postal ballot at the Registered Office of the Company and on the website of the Company www.fortishealthcare.com.

ITEM NO. 2

The existing Articles of Association ("AoA") of the Company are based on the Companies Act, 1956. Several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Companies Act, 2013 ("the Act"). The Act is now largely in force with Rules thereon.

Hence, with the new Companies Act, 2013 coming into force and considering most of the sections under the Companies Act, 2013 been notified by the Ministry of Corporate Affairs, it is considered expedient to replace existing AoA by adopting new set of AoA.

The new AoA to be substituted in place of the existing AoA are based on Table 'F' of the Act which sets out the model articles of association for a company limited by shares. The Members attention is invited to certain salient provisions in the new draft AoA of the Company viz:

- (a) Existing definitions have been aligned with the Act;
- (b) new provisions relating to appointment of Chief Executive Officer and Chief Financial officer, in addition to Manager and Company Secretary;
- (c) new provisions relating to appointment of a person as Chairperson and Managing Director or Chief Executive Officer;
- (d) existing articles have been streamlined and aligned with the Act;
- (e) the statutory provisions of the Act which permit a company to do some acts "if so authorized by its articles" or provisions which require a company to do acts in a prescribed manner "unless the articles otherwise provide" have been specifically included;
- (f) Provisions pertaining to International Finance Corporation and Standard Chartered Private Equity (Mauritius) III Limited (the PE Investors) remain same.

The proposed new draft AoA is being uploaded on the Company's website for perusal by the Members. The proposed new draft AoA is also available for inspection at the Registered Office of the Company on all working days, i.e. from Monday to Friday, between 10.00 a.m. and 12.00 noon up to the date of declaration of the result of Postal Ballot.

None of the Directors or Key Managerial Personnel of the Company or their relatives 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 Board of Directors of the Company commends the resolution at Item No. 2 for your approval by way of a Special Resolution.

ITEM NO. 3

The Company, in line with its aggressive growth strategy, make investments to expand its operations. It also gives loans to other person(s) and/or body(ies) corporate as and when required. The Company also provides corporate guarantees on behalf of person(s) and/or body(ies) corporate to the banks/financial institutions for the financial assistance provided by them.

Taking into consideration, the requirements of loans to be given / investments to be made / guarantees to be provided by the Company to meet the financial requirements of any person(s) and/or body(ies) corporate, the consent and approval of the Members is therefore, sought in accordance with the provisions of Section 186 of the Companies Act, 2013 for an amount, such that the outstanding amount shall not at any point of time, exceed Rs. 16,000 Crores (Rupees Sixteen Thousand Crores) over and above the prescribed limits.

As per the provisions of Section 186 of the Companies Act, 2013, no company shall directly or indirectly (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more.

Where such giving of any loan or guarantee or providing any security or the acquisition exceeds the limits specified, under Section 186 of the Companies Act, 2013, prior approval by means of a special resolution passed at a general meeting is necessary.

As per Section 110 of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, the said resolution requires the consent of the Member through postal ballot.

The Board of Directors of the Company commends the resolution at Item No. 3 for your approval by way of a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives 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.

ITEM NO. 4

Pursuant to the provisions of section 180(1)(a) of the Companies Act, 2013, a Company may sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking(s), subject to approval of the Members of the Company.

As per Section 110 of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, the said resolution requires the consent of the Member through postal ballot.

The Board of Directors of the Company commends the resolution at Item No. 4 for your approval by way of a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives is/are, in any way, concerned or interested in the proposed resolution except to the extent of their respective shareholding in the Company, if any.

ITEM NO. 5

The Companies Act, 2013 aims to ensure transparency in the transactions and dealings between the related parties of the Company. The provisions of Section 188(1) of the Companies Act, 2013 that govern the Related Party Transactions, requires that for entering into any contract or arrangement as mentioned herein below with the related party(ies), the Company must obtain prior approval of the Board of Directors and of the Members by way of a Special Resolution, in case the threshold limits are exceeded:

1. Sale, purchase or supply of any goods or materials;
2. Selling or otherwise disposing of, or buying, property of any kind;
3. Leasing of property of any kind;
4. Availing or rendering of any services;
5. Appointment of any agent for purchases or sale of goods, materials, services or property;
6. Such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
7. Underwriting the subscription of any securities or derivatives thereof, of the Company.

The Board of Directors of the Company took note that the Company being in existence since long into hospital business thus, may extend the required support from its associate Companies.

In the light of provisions of the Companies Act, 2013, the Board of Directors of your Company has approved the proposed transactions along with annual limit that your Company may enter into with the related parties.

The particulars of the transaction pursuant to the provisions of Section 188 and the Companies (Meetings of Board and its Powers) Rules, 2014 are as under:

SI No.	Particulars	Details/ Remarks
1.	Name of related party	Escorts Heart and Super Specialty Hospital Limited
2	Name of the Director or Key Managerial Personnel who is related, if any	None
3.	Nature of Relationship	Associate Company
4.	Nature, material terms, monetary value and particulars of the contract or arrangement	Existing Hospital Service Agreement is a continuous agreement having Variable fee @ 7.5% of operating revenue as per the agreement + Fixed quarterly fee of Rs. 3.70Crore + increased by 3% p.a. with non-recurring fixed fee of Rs. 3.63 Crore for FY 2014-15 and Rs. 2.45 crore for FY 2015-16.
5.	Any other information relevant or important for the Board/Members to take a decision	None

SI No.	Particulars	Details/ Remarks
1.	Name of related party	Fortis Hospotel Limited
2	Name of the Director or Key Managerial Personnel who is related, if any	None
3.	Nature of Relationship	Subsidiary Company
4.	Nature, material terms, monetary value and particulars of the contract or arrangement	Existing Hospital Service Agreement is a continuous agreement having Base Service Fees: -Rs. 16.54 crore+ Increased by 3% at the beginning of each Financial Year. Variable Service Fees: - 7.5% of Operating Revenue as per the agreement.
5.	Any other information relevant or important for the Board/Members to take a decision	None

The members are further informed that no member/s of the Company being a related party or having any interest in the resolution as set out at Item No. 5 and all shall be entitled to vote on this special resolution.

Pursuant to the provisions of Section 110 of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, the said resolution is proposed to be passed through postal ballot process.

Copies of the agreements as specified in the Resolution at Item No. 5 of the Notice are available for inspection by members at the Registered Office of the Company during business hours on any working days i.e. from Monday to Friday during 10:00 A.M. to 12.00 noon upto the date of declaration of result of postal ballot at the Registered Office of the Company.

The Directors commend the Item No. 5 of the Notice for consent and approval by the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives 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.

ITEM NO. 6

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, in its meeting held on March 26, 2013, approved the variation to the terms of 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 of 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 application earlier filed with MCA needs to be re-applied in accordance with the provisions of Companies Act, 2013. It is therefore proposed to vary the terms of appointment of Mr. Malvinder Mohan Singh for payment of remuneration as detailed below for the remaining period (i.e. April 1, 2014 to March 31, 2016), in accordance with the provisions laid down under Companies Act, 2013.

As such the Board of Directors commends the resolution at Item No. 6 for approval of the members.

None of the Directors or Key Managerial Personnel of the Company except Mr. Shivinder Mohan Singh and Mr. Harpal Singh (being related to Mr. Malvinder Mohan Singh) and Mr. Malvinder Mohan Singh himself, is 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.

This may also be treated as an abstract under Section 190 of the Act.

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, 2014 and for six months ended September 30, 2014:**

(Amount in Rs.lacs)

Particulars	For the year ended 31.03.2014 (Audited)	For the Six Months ended 30.09.2014 (Unaudited) *
Turnover and other income	59,854	42,112
Net profit after tax	2,399	(1,725)

*Excluding Exceptional Items

(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. 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. As Chairman of the company till 2010, he evolved Religare's strategy of creating an integrated financial services organization in India and an emerging global asset management platform. He continues to be the majority shareholder in the company, but has stepped down from the Board, giving charge to a professional management team.

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 has also championed the cause of human dignity in India and is the Country Chair for 'Global Dignity', an autonomous non-profit organization headquartered in USA.

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 2013-14, the remuneration drawn by Mr. Malvinder Mohan Singh in terms of application filed with Central Government, was as follows:

(Amount in Rs.)

Salary	Perquisites and allowances	Commission, bonus and performance Linked incentive	Retirals Benefits	Others	Total cost to the company
52,200,000	0	0	0	0	52,200,000

(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

(iv) Job profile and suitability

- ◆ As the Executive Chairman of the Board, he is responsible for ensuring that the Board of Directors and its members conduct the Board's business effectively and efficiently, ensuring the highest standards of Corporate Governance.
- ◆ As Executive Chairman, he leads Strategy planning for business development and provides guidance to the Senior Management team.
- ◆ Due to his extensive Global experience in healthcare, he provides lead direction to effectively manage the growth of the organization.
- ◆ Represents the company's and the industry's points of view on Health policy matters.
- ◆ At a strategic level, Malvinder guides the vision of the Company, ensuring that the right top management team is in place and is aligned to the company's goals. He also reviews Company performance.
- ◆ Malvinder oversees the efficient functioning of the Organization so that it is able to meet its corporate objectives and performance parameters. 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.

(v) Remuneration proposed:

Upto Rs. 15,00,00,000 (Rupees Fifteen Crores only) per annum, with the authority granted to the Nomination and Remuneration Committee to determine the total remuneration, 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. Malvinder Mohan Singh, who is 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, holds 71.34% of the paid up capital indirectly. 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.

III. Other information:

(i) Reasons for loss or inadequate profits:

During the Financial Year 2013-14, the Company posted a Net Profit of Rs. 23.99 Crores as against a Net Profit of Rs. 17.25 Crores during Financial Year 2012-13.

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. Costs for retention of talent therefore continually move up.

2. Given the capital intensive nature of the business, gestation periods are long and new healthcare facilities take time to breakeven and turn profitable. Hence, during the initial time period profitability margins are subdued and as the new facility stabilizes and matures, it begins to exhibit a steady and healthy growth in performance.
3. The Company has followed an aggressive growth strategy through organic and inorganic means, utilizing borrowings / loans as a result of which profitability margins were under pressure. With better operational performance in existing facilities and synergistic benefits from acquisitions that are expected to accrue over a period of time, the performance going forward is expected to improve.
4. The Indian healthcare market lacks the availability of good quality and affordable healthcare services. India's total healthcare spending as a percentage of GDP stands at approximately 5% currently. This is higher than some other emerging economies, but much lower than the developed economies where healthcare spend accounts for an average of around 12% of GDP. Coupled with favorable demographics, rising income levels and medical insurance coverage and changing disease patterns, the market provides a huge opportunity for growth to private players.

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

1. The Company and its subsidiaries have been continuously evaluating various business models to raise long-term financial resources by capitalising upon the expertise of the Fortis Group. Consequently, the Company has undergone an internal corporate restructuring, whereby the businesses of certain identified hospitals of the Fortis Group have been divided into (i) Clinical Establishments Division; and (ii) Medical Services Division.
2. Consistent with its asset light strategy, the Company transferred certain clinical establishments and operating hospitals to Religare Health Trust (RHT), which raised gross issue proceeds of SGD 511.0 million pursuant to its initial public offering and listed on the Main Board of the Singapore Stock Exchange (SGX-ST) in October, 2012. Subsequent to the listing, the issue proceeds were 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. This move enabled the Company to move towards an asset light model and thereby enhance focus on its core activities of providing medical healthcare services. Further this provided the Company with an additional source of long term capital for continued expansion.
3. The Company focuses on providing high-end quality healthcare services through service excellence, technology improvement, imbibement of best practices and clinical protocols designed to cut down the collateral damages through minimal invasive and such improved techniques; for reducing the average length of stay (ALOS) of the inpatients thereby increasing the average revenue per bed in use and thus, improving the asset turnover ratios.
4. 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 the implementation of performance management methodology) and Global Purchase 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).
5. Given the company's asset light strategy (through Religare Health Trust) and significantly stronger Balance Sheet, the company is well positioned to capitalize on the opportunities in the high growth India market. India would be the mainstay of its business operations for the foreseeable future. While brownfield expansion and select greenfield developments would be done by the RHT for Fortis (for the clinical establishments under the RHT portfolio); given Fortis' stronger balance sheet, it would also simultaneously look at Greenfield opportunities that would allow it to enter new markets, deepen its presence in existing markets and strengthen its presence & offerings in select medical specialties such as Women & Child and Oncology. The Company has already initiated expansion plans in places such as Ludhiana and Bengaluru, while growth plans for strengthening its presence in existing markets such as New Delhi/NCR & Mumbai are under active consideration.

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

(Amount Rs. In lac)

Years	Turnover	Profit before tax as per Statement of Profit and Loss
2014-15	64,215.20	(3,127.81)
2015-16	72,905.97	(337.81)
2016-17	76,551.26	208.98

By Order of the Board
For Fortis Healthcare Limited

Date: November 13, 2014
Place: Gurgaon

Rahul Ranjan
Company Secretary
ICSI Membership No. - A17035