

# REPORT ON CORPORATE GOVERNANCE

## 1. INTRODUCTION

Corporate governance essentially is the system of structures, rights, duties and obligations by which companies are directed and controlled. This governance structure specifies the distribution of rights and responsibilities among different participants in the corporation (such as the board of directors, management, shareholders, creditors, auditors, regulators and other stakeholders) and specifies the rules and procedures for making decisions in corporate affairs. This is reflected in the Company's philosophy on Corporate Governance. The Report has been prepared in accordance with the requirements laid down under Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and with a view to meticulously attain the highest standards of governance.

## 2. COMPANY'S PHILOSPHY ON CORPORATE GOVERNANCE

Corporate Governance ensures fairness, transparency and integrity of the management. As a part of its growth strategy, the Company believes in adopting the 'best practices' that are followed in the area of Corporate Governance across various geographies. The Company emphasizes the need for full transparency and accountability in all its transactions, in order to protect the interests of its stakeholders. The Board considers itself as a trustee of its shareholders and acknowledges its responsibilities towards them for creation and safeguarding their wealth. The Company has set itself the objective of expanding its capacities and becoming globally competitive in its business. As a part of its growth strategy, it is committed to high levels of ethics and integrity in all its business dealings that avoids conflict of interest. In order to conduct business with these principles, the Company has created a corporate structure based on business needs and maintains a high degree of transparency through regular disclosures with a focus on adequate control systems.

## 3. BOARD OF DIRECTORS - Composition of the Board

The Board of Directors ("the Board") is at the core of the Company's Corporate Governance practices and oversees how management serves and protects the long-term interests of its stakeholders. It brings in strategic guidance, leadership and independent view to the Company's Management while discharging its fiduciary responsibilities, thereby, ensuring that Management adheres to highest standards of ethics, transparency and disclosures.

Our policy towards the composition of Board is to have an appropriate mix of Executive, Non-Executive, Women and Independent Directors, representing a judicious mix of professionalism, diversity and wide spectrum subject to specific competence in areas critical to the organization, knowledge and experience.

This helps to drive value-based guidance whilst maintaining the independence of the Board and to separate its function of Governance and Management.

As on March 31, 2019, the Board consisted of 9 (Nine) Members, of which 1 (One) was an Executive Director (Managing Director and CEO) and rest all being Non-Executive Directors. Out of the 8 (Eight) Non-executive Directors, 3 (Three) were Independent Directors including 1 (One) Woman Independent Director. The Non-Executive Directors bring an external and wider perspective in Board's deliberation and decisions.

The Company has issued formal letters of appointment to Independent Directors in the manner as provided in the Companies Act, 2013 and the terms and conditions of such appointment is disclosed on the website of the Company.

The size and composition of the Board conforms to the requirements of Regulation 17(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as 'Listing Regulations' in this report) and the Companies Act, 2013. Other details relating to the Directors as on March 31, 2019 are as follows:

Name of the Director	Position held in the Company	Directorship in other Companies <sup>@</sup>	Membership of the Committee in Companies <sup>#</sup>	Chairmanship of the Committee in Companies <sup>#</sup>
<sup>1</sup> Dr. Ashutosh Raghuvanshi	Managing Director and CEO	1	1	1
<sup>2</sup> Mr. Ravi Rajagopal	Non-Executive Chairman and Independent Director	1	1	0
<sup>3</sup> Mr. Shirish Moreshwar Apte	Non-Executive Vice Chairman	1	0	0
<sup>4</sup> Dr. Chan Boon Kheng	Non-Executive Director	1	0	0
<sup>5</sup> Mr. Chintamani Aniruddha Bhagat	Non-Executive Director	<sup>&amp;</sup> 2	2	1
<sup>6</sup> Mr. Indrajit Banerjee	Independent Director	0	0	0
<sup>7</sup> Mr. Low Soon Teck	Non-Executive Director	1	0	0
<sup>8</sup> Ms. Suvalaxmi Chakraborty	Independent Director	6	2	0
<sup>9</sup> Dr. Tan See Leng	Non-Executive Director	1	0	0

<sup>@</sup> Excluding Foreign Companies and Companies formed under Section 8 of Companies Act, 2013 and Fortis Healthcare Limited

<sup>#</sup> Represents membership/chairmanship of Audit Committee & Stakeholders' Relationship Committee of Indian Public Limited Companies (i.e. other than Foreign Companies, Private Limited Companies, Companies formed under Section 8 of the Companies Act, 2013 and Fortis Healthcare Limited)

<sup>6</sup> Includes Nominee Director of M/s. IDFC Limited (Listed entity)

<sup>1</sup> Appointed as Managing Director w.e.f. March 19, 2019

<sup>2</sup> Appointed as Non-Executive Independent Director w.e.f. April 27, 2018 and designated as Chairman w.e.f. June 1, 2018

<sup>3</sup> Appointed as Non-Executive Additional Director and designated as Vice Chairman w.e.f. December 31, 2018

<sup>4</sup> Appointed as Non-Executive Additional Director w.e.f. November 13, 2018

<sup>5</sup> Appointed as Non-Executive Additional Director w.e.f. November 13, 2018

<sup>6</sup> Appointed as Non-Executive Independent Director w.e.f. April 27, 2018

<sup>7</sup> Appointed as Non-Executive Additional Director w.e.f. November 13, 2018

<sup>8</sup> Appointed as Non-Executive Independent Director w.e.f. April 27, 2018

<sup>9</sup> Appointed as Non-Executive Additional Director w.e.f. November 13, 2018

In terms of Listing Regulations, below are the details of the resignations tendered by independent directors during the period under the review and the reasons thereof:

S. No.	Name of Director	Reasons
1	Lt. Gen. Tejinder Singh Shergill	He resigned on May 20, 2018 and following is the relevant extract of his resignation letter: “Having previous knowledge of the company and despite my various commitments, I had agreed to join the Board of Fortis Healthcare Limited to complete the quorum as several members had left the Board; now that there are sufficient members on the Board, my many commitments preclude my sparing any further time.”
2	Ms. Sabina Vaisoha	She resigned on May 20, 2018 and following is the relevant extract of her resignation letter: “As you are all aware, I was invited to the board of Fortis Healthcare Ltd when it was thinning down to maintain the quorum, having been a part of the board of Fortis Hospitals Limited (Fortis largest operating subsidiary) for the last few years. Now that we have completed our duty and have reached an important milestone it is time to consider the best way forward. As the shareholders have expressed the desire to bring in a new board, I welcome their decision and I would be happy to step down from the Board. Kindly accept my resignation with immediate effect.”
3	Mr. Rohit Bhasin	He resigned on June 26, 2018 and following is the relevant extract of his resignation letter: “This is to inform you and the Board that I resign from the Board of Fortis Healthcare Limited and it's committees with immediate effect. Unfortunately pressing personal commitments prevent me from continuing in this role.”

None of the Directors on Board of the Company is a member in more than 10 (Ten) Committees and / or act as a Chairman/Chairperson of more than 5 (Five) Committees across all the Companies in which he/she is a Director. Further, no independent director serves in more than seven listed companies and none of the person who is serving as whole time director in listed company is serving as an independent director in more than 3 (Three) listed companies.

None of the Directors, as on date, are related to one another.

Further, the Board has identified the following core skills/expertise/competencies as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the board:

- People of proven business capability, people of integrity and reputation;
- Experience in handling senior level responsibility (especially in large complex organizations) either business or otherwise;

- Ensure members are from diverse background that bring different perspective and experiences;
- Exposure and understanding of corporate governance, systems and control;
- Atleast some members to have capability and experience in healthcare industry;
- Background in finance, risk management and control.

### **Disclosure regarding appointment or re-appointment of Directors**

Every appointment made to the Board is recommended by the Nomination and Remuneration Committee after considering various factors such as qualifications, positive attributes, area of expertise and other criteria as laid down in the “Board of Directors-Governance Standards”. The same is further taken for shareholders’ approval, as and when required, under the provisions of applicable laws.

During the Financial Year 2018-19, the Board of Directors had on the recommendation of the Nomination and Remuneration Committee appointed Mr. Rohit Bhasin, Mr. Ravi Rajagopal, Ms. Suvalaxmi Chakraborty, Mr. Indrajit Banerjee, Mr. Low Soon Teck, Dr. Chan Boon Kheng, Dr. Tan See Leng, Mr. Chintamani Aniruddha Bhagat and Mr. Shirish Moreshware Apte on the Board of the Company. Dr. Ashutosh Raghuvanshi was appointed as Managing Director and Chief Executive Officer effective March 19, 2019. Also, Lt. Gen. Tejinder Singh Shergill, Ms. Sabina Vaisoha, Mr. Harpal Singh & Mr. Rohit Bhasin resigned during the year under review and Dr. Brian William Tempest was removed by the shareholders.

Complete details of changes of board members in given in Board Report.

None of the directors is liable to retire by rotation at the forthcoming Annual General Meeting of the Company. Further, Mr. Low Soon Teck, Dr. Chan Boon Kheng, Dr. Tan See Leng, Mr. Chintamani Aniruddha Bhagat and Mr. Shirish Moreshware Apte, who were appointed during the year as Additional Directors and proposed to be regularized at the forthcoming Annual General Meeting of the Company. Also, the appointment of Dr. Ashutosh Raghuvanshi, Managing Director, is subject to the approval of shareholders at the forthcoming Annual General Meeting of the Company. In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the profiles of the directors are provided in the Notice convening the ensuing Annual General Meeting.

Pursuant to the provisions of Section 149 of the Companies Act, 2013, all the Independent Directors hold office for a tenure of five consecutive years and are not liable to retire by rotation. In the opinion of the Board of Directors, the independent directors fulfil the conditions specified in the relevant listing regulations and are independent of the management.

### **Board Functioning and Procedure**

The Board of Directors is an apex body constituted by the members for overseeing the overall functioning of the Company. The Board provides and evaluates the strategic directions of the Company, Management’s policies and their effectiveness and ensures that the long-term interests of the Shareholders are being served.

The probable dates of the Board Meetings for the forthcoming year are decided in advance and published as part of the Annual Report. The Board meets at least once in a quarter to review the performance of the Company and approves, *inter alia*, the financial results and also on the occasion of AGM. Whenever necessary, additional meetings are held. In case of business exigencies or urgency of matters, resolutions are passed by circulation. Board oversees the process of disclosures and communication.

Independent Directors are regularly updated on performance of the Company, business strategies and new initiatives being taken/proposed to be taken by the Company. The agenda for each Board Meeting along with background papers are circulated in advance to the Board Members to facilitate meaningful discussion at the meetings.

The Directors are provided free access to offices and employees of the Company. With the permission of Chair, Company’s executives are invited to meetings of the Board/Committees at which their presence and expertise helps the Members to develop a full understanding of matters being deliberated.

The agenda and notes on agenda are circulated to Directors in advance and in the agreed format. All material information is incorporated in the agenda so as to give sufficient time to the Directors to go through the

presentations/documents and take a well-informed decision. In case of exigencies/sensitive matters, the details are directly placed at the meeting, with the permission of the Chair.

The provisions and procedures relating to performance evaluation of the Directors including independent Directors and Familiarization Program forms part of Board Report. Further, in compliance with Listing Regulations, the Company has made familiarization programs to familiarize Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. The detail of such familiarization programme is available at <https://d3f909092v1r.cloudfront.net/Familiarisation-Program-2018-19.pdf>.

The details of Board Evaluation including criteria for evaluation of Independent Directors forms part of Board's Report.

The Company effectively uses facility of audio-visual means to enable the participation of Directors who cannot attend the Board or Committee meeting(s) in person.

During the year under review, 25 (Twenty Five) Board Meetings were held on (i) April 19, 2018; (ii) April 26-27, 2018; (iii) May 10, 2018; (iv) May 23, 2018; (v) May 28-29, 2018; (vi) June 11-12, 2018; (vii) June 26-27, 2018; (viii) July 6, 2018; (ix) July 13, 2018; (x) August 2, 2018; (xi) August 8, 2018; (xii) August 14, 2018; (xiii) August 24, 2018; (xiv) August 30, 2018; (xv) September 25, 2018; (xvi) September 28, 2018; (xvii) October 1, 2018; (xviii) November 5, 2018; (xix) November 13, 2018; (xx) November 30, 2018; (xxi) December 31, 2018; (xxii) January 8, 2019; (xxiii) February 7, 2019; (xxiv) February 13, 2019; and (xxv) March 19, 2019. The gap between two meetings did not exceed one hundred and twenty days.

The following table gives the attendance record of the directors at the above said Board meetings and at the last Annual General Meeting, which was held on September 28, 2018.

Name of the Directors	No. of Board Meetings attended	Attendance at last AGM
<sup>1</sup> Lt. Gen. Tejinder Singh Shergill	3	N.A.
<sup>1</sup> Mr. Harpal Singh	3	N.A.
<sup>1</sup> Ms. Sabina Vaisoha	3	N.A.
<sup>2</sup> Dr. Brian William Tempest	3	N.A.
<sup>3^</sup> Ms. Suvalaxmi Chakraborty	23	Yes
<sup>3@</sup> Mr. Ravi Rajagopal	23	Yes
<sup>3</sup> Mr. Indrajit Banerjee	24	Yes
<sup>4</sup> Mr. Rohit Bhasin	6	N.A.
<sup>5@</sup> Dr. Tan See Leng	7	N.A.
<sup>5\$</sup> Dr. Chan Boon Kheng	7	N.A.
<sup>5\$</sup> Mr. Low Soon Teck	6	N.A.
<sup>5@</sup> Mr. Chintamani Aniruddha Bhagat	6	N.A.
<sup>6@</sup> Mr. Shirish Moreshwar Apte	5	N.A.
<sup>7</sup> Dr. Ashutosh Raghuvanshi	1	N.A.

<sup>^</sup> Attended four meetings (included herein) through video-conferencing/audio call/skype but not counted for quorum as the facility of video recording could not be enabled.

<sup>@</sup> Attended three meetings (included herein) through video-conferencing/skype/ audio call but not counted for quorum as the facility of video recording could not be enabled.

<sup>\$</sup> Attended one meeting (included herein) through audio call but not counted for quorum.

<sup>1</sup> Resigned from the directorship of the Company w.e.f. May 20, 2018.

<sup>2</sup> Removed from the Directorship of the Company w.e.f. May 22, 2018.

<sup>3</sup> Appointed w.e.f. April 27, 2018.

<sup>4</sup> Appointed w.e.f. April 19, 2018 and resigned from the Directorship w.e.f. June 26, 2018.

<sup>5</sup> Appointed w.e.f. November 13, 2018

<sup>6</sup> Appointed w.e.f. December 31, 2018

<sup>7</sup> Appointed as Managing Director w.e.f. March 19, 2019

Save as elsewhere provided in this report, the information/documents as required under Listing Regulations, to the extent applicable, are placed before the Board.

### **Statutory Compliances**

The Board periodically reviews the mechanism put in place by the management to ensure the compliances with Laws and Regulations as may be applicable to the Company as well as the steps taken by the Company to rectify the instances of non-compliances, if any.

### **Code of Conduct**

The Board has prescribed a Code of Conduct (“the Code”) for all employees of the Company including Senior Management and Board Members, which covers the ethics, transparency, behavioral conduct, a gender friendly work place, legal compliance and protection of the Company’s property and information. Further, in terms of Schedule IV of Companies Act, 2013, the Company has adopted an additional code of conduct for the Independent Directors. Both the codes are hosted on the website of the Company. In terms of Listing Regulations, the Senior Management and Board Members have confirmed the compliance with the Codes for the Financial Year 2018-19. A declaration to this effect signed by the Managing Director and CEO of the Company, forms part of this Report.

## **4. COMMITTEES OF THE BOARD**

In terms of Listing Regulations and the Companies Act, 2013, the Board has constituted 4 (Four) Committees viz. Audit and Risk Management Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee. Further as of March 31, 2019, the Company also had a Finance Committee. The Management Committee as constituted in the Financial Year 2017-18 was subsequently dissolved w.e.f. August 2, 2018.

Keeping in view the requirements of the Companies Act, 2013 as well as Listing Regulations, the Board decides the terms of reference of these Committees and the assignment of members to various Committees. The recommendations, if any, of these Committees are submitted to the Board for approval.

### **A. Audit and Risk Management Committee**

#### **➤ Composition**

As on March 31, 2019, Audit and Risk Management Committee comprised of the following members, namely:

- (i) Mr. Indrajit Banerjee, Chairman,
- (ii) Mr. Low Soon Teck,
- (iii) Mr. Ravi Rajagopal, and
- (iv) Ms. Suvalaxmi Chakraborty

All members of the Committee are financially literate and have requisite accounting and financial management expertise. Mr. Sumit Goel, Company Secretary, acts as the Secretary of the Audit and Risk Management Committee.

The salient roles and responsibilities associated with the Audit and Risk Management Committee include, but are not limited to the following:

- To review, with the management, the financial statements and auditor's report thereon before submission to the board for approval,
- To review management discussion and analysis of financial condition and results of operations,
- To review the financial statements, in particular, the investments made by the unlisted subsidiary company(ies),
- To review and approve all related party transactions as reported by the Management or any subsequent modification thereof,
- To review, with the management, the statement of uses / application of funds raised through an issue, the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter,
- To scrutinize the inter corporate loans and investments,
- To review valuation of undertakings or assets of the company, wherever it is necessary and appointment of valuer(s),
- To recommend appointment, remuneration and terms of appointment of auditors of the company after taking into consideration the qualifications and experience of the individual or the firm proposed to be considered for appointment as auditor,
- To evaluate risk management system,
- To review and oversee the Whistle Blower mechanism, and
- To approve appointment of CFO.

The detailed and exhaustive Mandate of the Audit and Risk Management Committee reflecting the salient terms of reference and responsibilities for the Committee is available on the website of the Company for reference at [https://d3frl090092v1r.cloudfront.net/0.50340400\\_1507181603\\_Audit-&-Risk-Management-Committee-Mandate.pdf](https://d3frl090092v1r.cloudfront.net/0.50340400_1507181603_Audit-&-Risk-Management-Committee-Mandate.pdf).

The Company has laid down sufficient safeguards to ensure risk assessment and risk management and forms part of Management Discussion and Analysis Report.

#### ➤ **Meetings of Audit and Risk Management Committee during the year**

9 (Nine) Meetings of the Audit and Risk Management Committee were held during the year under review on (i) June 11, 2018; (ii) June 26, 2018; (iii) July 6, 2018 (iv) August 14, 2018, (v) August 31, 2018, (vi) September 27, 2018, (vii) November 3, 2018, (viii) December 31, 2018 and (ix) February 13, 2019.

The Attendance of members of Audit and Risk Management Committee at the said meetings was as follows:

Sr. No.	Name of the Member	No. of meetings attended
1	@Mr. Indrajit Banerjee	9
2	<sup>1</sup> @Dr. Chan Boon Kheng	1
3	@Mr. Low Soon Teck	2
4	@Mr. Ravi Rajagopal	9
5	<sup>2</sup> @Mr. Rohit Bhasin	2
6	@Ms. Suvalaxmi Chakraborty	9

<sup>1</sup> Appointed as member w.e.f. November 13, 2018 and ceased to be member w.e.f. January 30, 2019

<sup>2</sup> Appointed as member w.e.f. May 23, 2018 and ceased to be member and director of the Company w.e.f. June 26, 2018

<sup>@</sup> Attended one meeting (included herein) through video-conferencing but not counted for quorum as the facility of recording could not be enabled.

Executive Directors, if any, Chief Executive Officer, Chief Financial Officer, Head- Risk and Internal Audit and representatives of Statutory Auditors and Internal Auditors are generally invited to the meetings of the Audit and Risk Management Committee.

## **B. Stakeholders Relationship Committee**

### ➤ **Composition**

In order to expedite the process of share transfers and other investors related matters, the Board of the Company has delegated the power of share transfer to the Committee. As on March 31, 2019, the Stakeholders Relationship Committee comprised of the following members, namely:

- (i) Dr. Chan Boon Kheng,
- (ii) Mr. Indrajit Banerjee,
- (iii) Mr. Ravi Rajagopal, and
- (iv) Ms. Suvalaxmi Chakraborty

At every meeting, the chairperson is elected by mutual consent.

Mr. Sumit Goel, Company Secretary, acts as the Secretary of the Stakeholders Relationship Committee and the Compliance Officer pursuant to Listing Regulations.

The salient roles and responsibilities associated with the Stakeholders Relationship Committee include, but are not limited to the following:

- To approve/refuse/reject registration of transfer/transmission of Shares in a timely manner;
- To authorise printing of Share Certificates;
- To issue the Share Certificates under the seal of the Company, which shall be affixed in the presence of and signed by any two Directors (including Managing or Whole-time Director, if any), and Company Secretary / Authorised Signatory;
- To authorise affixation of the Common Seal of the Company on Share Certificates of the Company;
- To monitor redressal of stakeholders complaints/grievances including relating to non-receipt of allotment / refund, transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc; and
- To authorize to maintain, preserve and keep in its safe custody all books and documents relating to the issue of share certificates, including the blank forms of share certificates.

The detailed and exhaustive Mandate of the Stakeholders Relationship Committee reflecting the salient terms of reference and responsibilities is available for reference on the website of the Company at <https://d3frl090092v1r.cloudfront.net/Stakeholders%20Relationship%20Committee%20Mandate.pdf>.

### ➤ **Meetings of Stakeholders Relationship Committee during the year**

4 (Four) meetings of Stakeholders Relationship Committee were held during the year ended March 31, 2019 on (i) June 27, 2018, (ii) August 14, 2018, (iii) November 3, 2018, and (iv) February 13, 2019.

The attendance of members of the Stakeholders Relationship Committee at the said meetings was as follows:

Sr. No.	Name of the Member	No. of meetings attended
1	<sup>1</sup> Dr. Chan Boon Kheng	0
2	<sup>2</sup> Mr. Indrajit Banerjee	4
3	<sup>3</sup> Mr. Ravi Rajagopal	4
4	<sup>4</sup> Mr. Rohit Bhasin	0
5	<sup>5</sup> Ms. Sabina Vaisoha	0
6	<sup>6</sup> Ms. Suvalaxmi Chakraborty	4

<sup>1</sup> Appointed as member w.e.f. November 13, 2018

<sup>2</sup> Appointed as member w.e.f. April 27, 2018

<sup>3</sup> Appointed as member w.e.f. June 26, 2018

<sup>4</sup> Appointed as Chairperson w.e.f. April 27, 2018 and ceased to be chairperson w.e.f. May 23, 2018 and as director of the Company w.e.f. June 26, 2018

<sup>5</sup> Appointed as member w.e.f. April 27, 2018 and ceased to be member and director of the Company w.e.f. May 20, 2018

<sup>6</sup> Appointed as member w.e.f. May 23, 2018

➤ **Details of Investors' Grievances received during the year 2018-19**

Nature of Complaints	Pending as on April 1, 2018	Received during the year	Resolved/ attended during the year	Pending as on March 31, 2019	Complaints not solved to the satisfaction of shareholder
Non-receipt of Dividend warrants/non-receipt of Annual Reports/Non-receipt of Securities/Non-receipt of securities after transfer/ clarification regarding shares/others etc.	0	174	174	0	0
<b>Total</b>	<b>0</b>	<b>174</b>	<b>174</b>	<b>0</b>	<b>0</b>

The Company gives utmost priority to the redressal of Investors' Grievances which is evident from the fact that all complaints received from the investors were resolved expeditiously, to the satisfaction of the investors.

**C. Corporate Social Responsibility Committee**

➤ **Composition**

As on March 31, 2019, Corporate Social Responsibility Committee comprised of the following members, namely:

- (i) Mr. Indrajit Banerjee,
- (ii) Mr. Ravi Rajagopal,
- (iii) Ms. Suvalaxmi Chakraborty and
- (iv) Dr. Tan See Leng

At every meeting, the chairperson is elected by mutual consent.

Mr. Sumit Goel, Company Secretary acts as the Secretary of the Corporate Social Responsibility Committee.

The salient roles and responsibilities associated with the Corporate Social Responsibility Committee include, but are not limited to the following:

- Reviewing and making recommendations, as appropriate, with regard to the Company's Corporate Social Responsibility (CSR) policy(ies) indicating the activities to be undertaken by the Company;
- Reviewing the various proposals of CSR programmes / projects as submitted by CSR department of the Company and if thought fit, approval thereof, provided that the same is within the framework of CSR Policy;
- Identification and appointment of various eligible agencies / entities for execution of CSR programmes or projects of the Company;
- Recommendation of the amount of expenditure to be incurred on the CSR activities as per the framework of CSR Policy; and
- Reviewing the annual budget for the Company's CSR activities to confirm that sufficient funding is provided for compliance with this mandate.

The detailed and exhaustive mandate of the Corporate Social Responsibility Committee reflecting the salient terms of reference and responsibilities for the Committee is available on the website of the Company for reference at <https://d3frl090092vlr.cloudfront.net/Corporate%20Social%20Responsibility%20Committee%20Mandate.pdf>.

➤ **Meetings of Corporate Social Responsibility Committee during the year**

3 (Three) Meetings of Corporate Social Responsibility Committee were held during the year ended March 31, 2019 on (i) June 27, 2018, (ii) July 5, 2018, and (ii) November 3, 2018.

The Attendance of members of the Corporate Social Responsibility Committee at the said meetings was as under:

Sr. No.	Name of the Member	No. of meetings attended
1	<sup>1</sup> Dr. Brian William Tempest	0
2	<sup>2</sup> Mr. Harpal Singh	0
3	<sup>3</sup> Mr. Indrajit Banerjee	3
4	<sup>4</sup> Mr. Ravi Rajagopal	3
5	<sup>5</sup> Mr. Rohit Bhasin	0
6	<sup>6</sup> Ms. Sabina Vaisoha	0
7	<sup>7</sup> Ms. Suvalaxmi Chakraborty	3
8	<sup>8</sup> Dr. Tan See Leng	0
9	<sup>1</sup> Lt. Gen Tejinder Singh Shergill	0

<sup>1</sup>Ceased w.e.f. April 27, 2018

<sup>2</sup>Resigned from directorship w.e.f. May 20, 2018

<sup>3</sup>Appointed w.e.f. May 23, 2018

<sup>4</sup>Appointed w.e.f. May 23, 2018

<sup>5</sup>Appointed w.e.f. May 23, 2018 and resigned from directorship w.e.f. June 26, 2018

<sup>6</sup>Appointed as member w.e.f. April 27, 2018 and resigned from directorship w.e.f. May 20, 2018

<sup>7</sup>Appointed as member w.e.f. April 27, 2018 and ceased to be member w.e.f. May 23, 2018. Subsequently she was re-appointed as member w.e.f. June 26, 2018

<sup>8</sup>Appointed as member w.e.f. November 13, 2018

#### **D. Nomination and Remuneration Committee**

##### ➤ **Composition**

As on March 31, 2019, the Nomination and Remuneration Committee comprised of the following members:

- (i) Mr. Indrajit Banerjee, Chairman,
- (ii) Dr. Chan Boon Kheng,
- (iii) Mr. Chintamani Aniruddha Bhagat,
- (iv) Mr. Ravi Rajagopal, and
- (v) Ms. Suvalaxmi Chakraborty

The salient roles and responsibilities associated with the Nomination and Remuneration Committee include, but are not limited to, the following:

- Assist in identifying and finalizing suitable candidates as members of the Board and recommendation of compensations norms;
- Devising of remuneration policy and Board diversity policy for the Board Members;
- Monitor and Evaluation of Board Evaluation Framework;
- Identification of the persons who may be appointed in senior management, evaluation of performances of Key Managerial Personnel, monitoring their compensation packages, employment arrangements and remuneration policy;
- Review and approve succession and emergency preparedness plan for the Key Managerial Personnel and all senior Management personnel;
- Review grant of stock options or pension rights to the employees under different ESOP Plans of the Company; and
- Review of organization structure.

The detailed and exhaustive Mandate reflecting the salient terms of reference and responsibilities for the Nomination and Remuneration Committee is available on the website of the Company for reference at <https://d3f1rl090092v1r.cloudfront.net/Nomination%20and%20Remuneration%20Committee%20Mandate.pdf>.

The Nomination and Remuneration Committee works with the Board on the succession planning and ensures contingency plans are in place to meet any exigencies. Mr. Sumit Goel, Company Secretary acts as the Secretary of the Nomination and Remuneration Committee.

##### ➤ **Meetings of Nomination and Remuneration Committee during the year**

5 (Five) meetings of Nomination and Remuneration Committee were held during the year ended March 31, 2019. These were held on (i) June 27, 2018, (ii) July 5, 2018, (iii) November 3, 2018, (iv) January 29, 2019 and (v) March 19, 2019.

The attendance of members of Nomination and Remuneration Committee at these meetings was as follows:

Sr. No.	Name of the Member	No. of meetings attended
1	<sup>1</sup> Dr. Brian William Tempest	0
2	<sup>2</sup> Dr. Chan Boon Kheng	2
3	<sup>2@</sup> Mr. Chintamani Aniruddha Bhagat	2
4	<sup>3</sup> Mr. Harpal Singh	0
5	<sup>4</sup> Mr. Indrajit Banerjee	5
6	<sup>5@</sup> Mr. Ravi Rajagopal	5
7	<sup>6</sup> Mr. Rohit Bhasin	0
8	<sup>7@</sup> Ms. Suvalaxmi Chakraborty	5
9	<sup>8</sup> Lt. Gen. Tejinder Singh Shergill	0

<sup>1</sup>*Ceased to be director w.e.f. May 22, 2018*

<sup>2</sup>*Appointed as member w.e.f. November 13, 2018*

<sup>3</sup>*Appointed as member w.e.f. April 5, 2018 and resigned from directorship w.e.f. May 20, 2018*

<sup>4</sup>*Appointed as member w.e.f. June 26, 2018*

<sup>5</sup>*Appointed as member w.e.f. April 27, 2018*

<sup>6</sup>*Appointed as member w.e.f. May 23, 2018 and resigned from directorship w.e.f. June 26, 2018*

<sup>7</sup>*Appointed as member w.e.f. April 27, 2018*

<sup>8</sup>*Resigned from directorship w.e.f. May 20, 2018*

<sup>@</sup>*Attended one meeting (included herein) through audio-conferencing but not counted for quorum.*

➤ **Remuneration policy & Criteria of making payments to Executive and Non-Executive Directors including Independent Directors**

The remuneration policy of the Company is aimed at rewarding the performance, based on review of achievements on a regular basis and is in consonance with the existing industry practice.

The Directors' remuneration policy of your Company is in line with the provisions of the Companies Act, 2013. The remuneration paid/payable to the Executive Director(s) is, as recommended by the Nomination and Remuneration Committee, decided by the Board and approved by the Shareholders and Central Government, wherever required.

Presently, the Non-Executive Director(s) are being paid sitting fees for attending the Meetings of Board of Directors and various Committee(s) of Board viz. Audit and Risk Management Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Finance Committee and separate meeting of Independent Directors.

Non-Executive Directors may be paid honorarium upto 1% of the Net Profits of the Company calculated in accordance with the provisions of Section 198 of Companies Act, 2013, as approved by the shareholders at their meeting held on September 23, 2015 (valid upto March 31, 2020). During the year under review, no such honorarium was paid to any of the Non-Executive Director.

The key components of the Company's Remuneration Policy for the Board Members are:

- Compensation will be based on credentials and the major driver of performance.
- Compensation will be competitive and benchmarked with industry practice.
- Compensation will be fully transparent and tax compliant.

The Governance Document for Board which inter alia includes the Remuneration Policy of the Company is made available on the website of the Company at <https://d3frl090092vlr.cloudfront.net/Board%20of%20Directors%20Governance%20Standards.pdf>.

➤ **Remuneration to Directors**

a) **Executive Director**

Dr. Ashutosh Raghuvanshi was appointed as Managing Director and Chief Executive Officer w.e.f. March 19, 2019 for a period of 3 years, subject to shareholders approval, at the forthcoming Annual General Meeting (AGM) of the Company. The details of his profile and other matters as required under Schedule V of the Companies Act, 2013, is given in the notice calling the ensuing AGM.

The details of his remuneration package is as follows:

(Amount in ₹. p.a.)

Salary	Benefits	Bonuses	Pension
4,32,79,519	8,09,481	2,40,00,000	19,11,000

**Other Details of remuneration:**

He will also be entitled to a company car having all-inclusive price not exceeding ₹ 7,500,000 for business use, in accordance with the Company's Policies and applicable laws.

**Details of fixed component and performance linked incentives, along with the performance criteria:**

Components	INR Per Annum
Fixed Component	4,60,00,000
*Target Variable Pay	2,40,00,000
Total	7,00,00,000

\* Actual Variable payment will be paid as per the terms of contract letter of Dr. Ashutosh Raghuvanshi.

**Service contracts and notice period**

Service Contract – for a period of 3 years

Notice Period – 3 months

He did not draw any remuneration during the Financial Year 2018-19 and his remuneration for the month ended March 31, 2019 was paid along with the remuneration for the month ended April 30, 2019. As on date, he does not hold any shares in the Company nor has been granted any ESOPs.

b) **Non-Executive Directors**

During the period under review sitting fees paid to Non-Executive Directors and their shareholding as on March 31, 2019 is as follows:

S. No.	Name of Directors	Gross Sitting Fees (₹)	Shareholding in the Company as on March 31, 2019 or as on the date of resignation, whichever is earlier
1	Lt. Gen. Tejinder Singh Shergill	4,00,000	16,000
2	Mr. Harpal Singh	4,00,000	58,003
3	Dr. Brian William Tempest	4,00,000	NIL
4	Ms. Sabina Vaisoha	3,00,000	NIL
5	Mr. Rohit Bhasin	8,00,000	NIL

S. No.	Name of Directors	Gross Sitting Fees (₹)	Shareholding in the Company as on March 31, 2019 or as on the date of resignation, whichever is earlier
6	Ms. Suvalaxmi Chakraborty	48,00,000	NIL
7	Mr. Ravi Rajagopal	45,00,000	NIL
8	Mr. Indrajit Banerjee	49,00,000	NIL
9	Dr. Tan See Leng	6,00,000	NIL
10	Dr. Chan Boon Kheng	10,00,000	NIL
11	Mr. Low Soon Teck	8,00,000	NIL
12	Mr. Chintamani Aniruddha Bhagat	7,00,000	NIL
13	Mr. Shirish Moreswar Apte	5,00,000	NIL
<b>Total</b>		<b>2,01,00,000</b>	

The Company has not granted any stock options to any of its Directors. Except as stated above and as disclosed elsewhere in this Annual Report including notes to Financial Statements, there was no other pecuniary relationship or transaction of the Non-Executive Director(s) vis-à-vis the Company, during the year under review. Further, none of the Non-Executive Directors are holding any convertible instrument of the Company.

#### E. Independent Directors

##### ➤ Meetings of Independent Director during the year

During the period from April 27, 2018 to November 13, 2018, the Board of the Company was comprising only of Independent Directors. Further, post reconstitution, one more meeting of Independent Directors was held during the year under review on March 19, 2019 to carry out Board evaluation. All the Independent Directors attended the same.

The salient roles and responsibilities associated with the Independent Directors Meeting include, but are not limited to, the following:

- review the performance of non-independent directors and the board of directors as a whole;
- review the performance of the chairperson of the listed entity, taking into account the views of executive directors and non-executive directors;
- assess the quality, quantity and timeliness of flow of information between the management of the listed entity and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties.

#### F. Management Committee

During the Financial year 2017-18, the Management Committee was constituted, comprising of Dr. Brian William Tempest (Chairperson), Mr. Harpal Singh and Lt. Gen. Tejinder Singh Shergill and the committee was vested with the same authority and responsibility as that of Executive Chairman and Non-Executive Vice Chairman.

Post the cessation of all the committee members and induction of the Independent Directors, the Committee was dissolved w.e.f. August 2, 2018.

The Mandate of the Committee was placed before the Board but it was not approved.

##### Meetings of Management Committee during the year

1 (One) meeting of Management Committee was held during the year under review on April 18, 2018 which was attended by all its members.

## G. Finance Committee

The Board at its meeting held on November 13, 2018, constituted a Treasury Committee of the Board of Directors (nomenclature changed to Finance Committee w.e.f. November, 30 2018) with specific mandate to help the Board in investing of funds and raising of debt, as and when directed.

As on March 31, 2019, the Finance Committee comprised of the following members:

- (i) Dr. Chan Boon Kheng,
- (ii) Mr. Indrajit Banerjee,
- (iii) Mr. Low Soon Teck, and
- (iv) Ms. Suvalaxmi Chakraborty

### ➤ Meetings of Finance Committee during the year

3 (Three) meetings of Finance Committee were held during the year ended March 31, 2019. These were held on (i) November 17, 2018, (ii) November 19, 2018, and (iii) January 8, 2019. All the members attended all the meetings of the Committee.

## 5. SUBSIDIARY COMPANIES

As on April 1, 2019, Fortis Hospitals Limited (FHsL), International Hospital Limited (IHL), Fortis Healthcare International Limited (FHIL), Fortis Hospotel Limited (FHTL) and SRL Limited (SRL) are considered as Material Subsidiaries and accordingly necessary compliances w.r.t. material subsidiaries have been duly carried out. However, as on the date of this report the Company is yet to appoint an Independent Director from the Board of Fortis Healthcare Limited on the Boards of FHsL, IHL and FHTL.

The Audit and Risk Management Committee of the Company reviews the financial statements and investment made by the subsidiary company(ies). The minutes of the Board Meeting(s) of subsidiaries as well as the statement of significant transactions and arrangement entered into by the subsidiaries, if any, are placed before the Board of Directors of the Company from time to time.

The policy for determining 'material' subsidiaries is available at <https://d3frl090092v1r.cloudfront.net/Policy-On-Material-Subsidiary-Feb-2019.pdf>.

## 6. CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

The Managing Director & CEO and CFO certification as stipulated in Regulation 17(8) of Listing Regulations was placed before the Board along with financial statement(s) for the year ended March 31, 2019. The board reviewed and took note of the same. The said certificate forms part of the Annual Report.

## 7. GENERAL BODY MEETING(S)

The location and time of the General Meetings held during the preceding three years are as follows:

Financial Year	Date	Time (IST)	Venue	Special Resolution(s) passed
<b>Annual General Meetings</b>				
2017-18	28.09.2018	12:30 p.m.	National Institute of Pharmaceutical Education and Research Mohali, Sector 67, SAS Nagar, Mohali, Punjab-160062	None
2016-17	26.09.2017	12.00 Noon	National Institute of Pharmaceutical Education and Research Mohali, Sector 67, SAS Nagar, Mohali, Punjab-160062	Alteration of Articles of Association of the Company Enabling approval for Fund Raising

Financial Year	Date	Time (IST)	Venue	Special Resolution(s) passed
2015-16	27.09.2016	12.00 Noon	PHD Chamber of Commerce and Industry, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110016	Enabling Resolution for raising funds upto ₹ 5,000 Crore Approval for appointment of Non-Independent Directors(s) for office or place of profit. Approval for payment of remuneration to Non-Executive Directors

There is no immediate proposal for passing any resolution through Postal Ballot as on the date of this report, except as per the details available in public domain.

#### Details of resolution passed by way of Postal Ballot.

Pursuant to Regulation 44 of Listing Regulations and Section 108, 110 and other applicable provisions of Companies Act, 2013 read with Rules made thereunder, the members of the Company have during the year under review, approved the following resolutions by way of postal ballot.

#### 1. Postal ballot Notice dated March 20, 2018 (result declared on May 5, 2018):

##### Approval for appointment of Lt. Gen. Tejinder Singh Shergill as an Independent Director of the Company and for acquisition of assets of RHT Health Trust.

For the conduct of the aforementioned postal ballot/electronic voting exercise, Mr. Mukesh Manglik, Company Secretary in Whole Time Practice, was appointed as the Scrutinizer.

Summary of the results of aforementioned Postal Ballot/electronic voting process announced by Mr. Rahul Ranjan, Company Secretary of the Company on May 5, 2018:

Item	Net Valid Votes Polled (No. of Equity Shares)	Votes with assent for the Resolution (No. of Equity Shares and % of net valid votes)	Votes with dissent for the Resolution (No. of Equity Shares and % of net valid votes)
Ordinary Resolution for appointment of Lt. Gen. Tejinder Singh Shergill as an Independent Director	25,59,74,569	13,87,06,842 (54.19%)	11,72,67,727 (45.81%)
Ordinary Resolution for Acquisition of assets of RHT Health Trust	26,02,44,924	25,58,94,734 (98.33%)	43,50,190 (1.67%)

#### 2. Postal Ballot Notice dated August 30, 2018 (result declared on October 29, 2018):

##### Approval for amendment in terms of the agreement entered for acquisition of assets of RHT Health Trust.

For the conduct of the aforementioned postal ballot/electronic voting exercise, Mr. Mukesh Manglik, Company Secretary in Whole Time Practice, was appointed as the Scrutinizer.

Summary of the results of aforementioned Postal Ballot/electronic voting process announced by Mr. Sumit Goel, Company Secretary of the Company on October 29, 2018:

Item	Net Valid Votes Polled (No. of Equity Shares)	Votes with assent for the Resolution (No. of Equity Shares and % of net valid votes)	Votes with dissent for the Resolution (No. of Equity Shares and % of net valid votes)
Special Resolution for amendment in terms of the agreement entered for acquisition of assets of RHT Health Trust	36,97,62,380	36,97,61,385 (99.9997%)	995 (0.0003%)

### 3. Postal ballot notice dated December 31, 2018 (Result declared on February 6, 2019)

#### Approval for Appointment of M/s B S R & Co. LLP, Chartered Accountants (Registration No. 101248W/W-100022) as Statutory Auditors of the Company to fill up the casual vacancy caused due to the resignation of M/s Deloitte Haskins & Sells LLP, Chartered Accountants

For the conduct of the aforementioned postal ballot/electronic voting exercise, Mr. Mukesh Manglik, Company Secretary in Whole Time Practice, was appointed as the Scrutinizer.

Summary of the results of aforementioned Postal Ballot/electronic voting process announced by Mr. Sumit Goel, Company Secretary of the Company on February 6, 2019:

Item	Net Valid Votes Polled (No. of Equity Shares)	Votes with assent for the Resolution (No. of Equity Shares and % of net valid votes)	Votes with dissent for the Resolution (No. of Equity Shares and % of net valid votes)
Ordinary Resolution for appointment of M/s B S R & Co. LLP, Chartered Accountants (Registration No. 101248W/W-100022) as Statutory Auditors of the Company to fill up the casual vacancy caused due to the resignation of M/s Deloitte Haskins & Sells LLP, Chartered Accountants	48,22,60,265	48,22,33,256 (99.9944%)	27,009 (0.0056%)

#### Procedure for Voting by Postal Ballot and E-voting

In compliance with Regulation 44 of Listing Regulations and Section 108, 110 and other applicable provisions of Companies Act, 2013 read with Rules made thereunder, the Company provides e-voting Facility to the Members. The Notice of Postal Ballot along with the Explanatory Statement pertaining to the draft Resolution(s) explaining in detail, the material facts along with Postal Ballot form and the self-addressed postage prepaid business reply envelope are sent to all the members, whose name appear on the register of members as on the cut-off date, under secured mode of Posting/through e-mail. The members were given option to vote either through the Postal Ballot Forms or through e-voting facility. The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Companies Act, 2013.

The members are required to carefully read the instructions printed in the Postal Ballot Form, fill up the Form, give their assent or dissent on the resolution(s) at the end of the Form and sign the same as per the specimen signature available with the Company or Depository Participant, as the case may be, and return the form duly completed in the attached self-addressed postage prepaid envelope so as to reach the scrutinizer before the close of working hours of the last date fixed for the purpose or post their assent or dissent through

e-voting module. Postal Ballot Form received after this date, is strictly treated as if the Form has not been received from the member.

Voting rights are reckoned on the basis of number of shares and paid-up value of shares registered in the name of the shareholders on the specified date. A resolution is deemed to have been passed as special resolution if the votes cast in favor are at least three times than the votes cast against and in case of ordinary resolution, the resolution is deemed to have been passed, if the votes cast in favor are more than the votes cast against.

For the members who opted for e-voting facility, they cast their votes via electronic platform (<https://evoting.karvy.com>) of Karvy Fintech Private Limited (Karvy). Requisite notices were given to such members to e-vote /send their reply.

The scrutinizer appointed for the purpose scrutinizes the postal ballots and e-votes received and submit his consolidated report to the Company. The results are also displayed on the website of the Company-[www.fortishealthcare.com](http://www.fortishealthcare.com) and the last date for receipt of duly completed postal ballot forms/e-voting is deemed to be the date of passing the resolution(s).

Till the date of signing of this report, no Special Resolution is proposed to be conducted through postal ballot, unless as disclosed by the Company.

Further, resolution(s), if required, shall be passed by Postal Ballot during the year ending on 31<sup>st</sup> March 2020, as per the prescribed procedure under the Companies Act, 2013 and Listing Regulations.

## 8. DISCLOSURES

### ➤ **Related Parties Transactions**

The details of transactions with related parties as prescribed in the Listing Regulations, are placed before the Audit and Risk Management Committee periodically. Further, the details of all material transactions with related parties are also disclosed quarterly along with the compliance report on corporate governance.

In the cases of material transaction, the same are pursued under direct guidance of the Audit and Risk Management Committee with appropriate disclosures and safeguards being implemented to isolate the conflict. Where required, independent Advisory Committees are constituted and external expert opinion sought for Board consideration. Further, in accordance with the Listing Regulations, the Company has adopted a Policy on 'Materiality on Related Party Transactions' and the same is at <https://d3f1090092v1r.cloudfront.net/Related-Party-Transactions-Framework-Document.pdf>.

During the year under review there have been no materially significant related party transactions, monetary transactions or relationships between the Company and its directors, the Management, their relatives or subsidiaries which may have potential conflict with the interest of Company at large except for those disclosed in the Board's Report. Detailed information on materially significant related party transactions is enclosed to the Board's Report.

### ➤ **Accounting Treatment**

While in the preparation of financial statements, the treatment that has been prescribed in the Accounting Standards has been followed to represent the facts in the financial statement in a true and fair manner.

### ➤ **Compliances by Company**

The Company has complied with the requirements of the Stock Exchange(s), Securities and Exchange Board of India or other authorities on any matter related to Capital Market during the last 3 (three) years, except, as disclosed from time to time. To the best of our knowledge, below are the non-compliances w.r.t. Listing Regulations for the Financial Year 2018-19:

S No.	Brief details of Clause / Applicable Laws	Particulars
1	Regulation 33(3)- The listed entity shall submit annual audited standalone financial results for the financial year, within sixty days from the end of the financial year along with the audit report and Statement on Impact of Audit Qualifications (applicable only for audit report with modified opinion)	The results for the quarter and Financial Year ended March 31, 2019 and the Statement on Impact of Audit Qualifications were not approved/submitted within stipulated timelines.
2	Regulation 29(1)(a)- The listed entity shall give prior intimation to stock exchange about the meeting of the board of directors in which financial results are to be considered, which is not in compliance with Regulation 29(2) of SEBI LODR	Prior intimation to the stock exchanges was not given for the board meeting held on July 07, 2018 for the approval of annual financial statements/ results for the year ended on March 31, 2019, as the meeting was unplanned and held at a shorter notice.
3	Regulation 18(1)(a) – For every listed entity two-thirds of the members of audit committee shall be independent directors.	Composition of Audit Committee was not in accordance with the regulations from November 13, 2018 to January 30, 2019.
4	Regulation 24(1)- At least one independent director on the board of directors of the listed entity shall be a director on the board of directors of an unlisted material subsidiary, incorporated in India	No independent director(s) of the Company were appointed on the board of Fortis Hospotel Limited and Fortis Hospitals Limited, both being unlisted material subsidiaries of the Company.
5	Regulation 30- (i) Proceedings of annual and extraordinary general meetings of the listed entity shall be submitted to stock exchanges within 24 hours of the event; (ii) The listed entity shall notify the stock exchange(s), the details of any new rating or revision in rating assigned from a credit rating agency within 24 hours of the event; and (iii) Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the listed entity), agreement(s)/treaty(ies)/contract(s) with media companies) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof	(i) Extraordinary General Meeting of the Company was held on August 13, 2018 and proceedings of the same were sent to stock exchanges on August 16, 2018; (ii) Credit rating of the Company was revised by ICRA Limited on September 06, 2018 and the same was intimated to the stock exchanges on September 20, 2018; (iii) The Company disclosed to the stock exchanges about Share subscription Agreement entered into with IHH Healthcare Berhad on July 13, 2018, however, the same was not in the format as prescribed under Para No. 5 of the SEBI Circular CIR/CFD/CMD/4/2015 dated September 09, 2015.

The details of penalty paid to the stock exchanges for the Financial Year 2018-19, for non-compliances under Regulation 33 and Regulation 18(1) of Listing Regulations is as given below:

Name of the exchange	Particulars	Amount of penalty (in ₹ Lacs) (rounded off)
BSE and NSE	Late submission of financial under Regulation 33 of SEBI (LODR) Regulations, 2015 for the quarter and financial year ended March 31, 2018	63.44
BSE and NSE	Non-compliance with Regulation 18(1) of SEBI (LODR) Regulations, 2015	1.16

The details of penalty paid to the stock exchanges for the Financial Year 2017-18, for non-compliances under Regulation 33 of Listing Regulations is as given below:

Name of the exchange	Particulars	Amount of penalty (in ₹)
BSE and NSE	Late/Non-submission of financial under Regulation 33 of SEBI (LODR) Regulations, 2015 for the period ended September 2017.	6,598,890

## 9. MANAGEMENT

During the period under review, no material, financial and commercial transaction has been entered by Senior Management Personnel, where they have any personal interest that may have potential conflict with the Company at large. The Company has obtained requisite declarations from all Senior Management Personnel in this regard and the same were duly placed before the Board of Directors on periodic basis.

## 10. WHISTLE BLOWER POLICY/VIGIL MECHANISM

The Company strongly supports and strives to provide a structured platform via Whistle Blower Policy/Vigil Mechanism for reporting of instances of alleged wrongful conduct or gross waste or misappropriation of funds including instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. Through this Policy, the Company seeks to provide a procedure for all the employees and Directors of the Company to report concerns about unethical and improper practice taking place in the Company and provide for adequate safeguards against victimization of Director(s) / employee(s) who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee, in exceptional cases. It protects employees, officers and Directors who in, good faith, raise a concern about irregularities within the Company. It is hereby confirmed that no personnel have been denied access to the Audit and Risk Management Committee. The Company has adopted a Whistle Blower Policy in line with the requirements laid down under Companies Act, 2013 and Listing Regulations. The same is available at <https://d3frl090092v1r.cloudfront.net/Whistle%20Blower%20Policy.pdf>.

### Code of conduct and Prohibition on Insider Trading

Code of Conduct for Prevention of Insider Trading of the Company, as approved by the Board of Directors, *inter alia*, prohibits purchase or sale of securities of the Company by Directors, Designated Employees and other employees while in possession of unpublished price sensitive information in relation to the Company. The said Code is available at <https://s3-ap-southeast-1.amazonaws.com/s3.fortishealthcare.com/FHL+Policy+Code+of+conduct+for+prevention+of+Insider+Tradig.pdf>.

## 11. MEANS OF COMMUNICATION

- Results:** The financial results are generally published in Financial Express (English) and Rozana Spokesman (Punjabi).
- Website:** The financial results are posted on the Company's website viz. [www.fortishealthcare.com](http://www.fortishealthcare.com).
- Press Release, Presentations:** The Company also makes a presentation to the institutional investors and analysts after taking on record the financial results of the Company. The press releases/official news, detailed presentation made to media, analysts, institutional investors etc. are displayed on the Company's website viz. [www.fortishealthcare.com](http://www.fortishealthcare.com). Official Media Releases are also sent to the stock exchanges before dissemination to the media.
- Intimation to the Stock Exchanges:** The Company intimates the Stock Exchanges on all price sensitive information or such other matters which in its opinion are material and of relevance to the Investors.
- NEAPS (NSE Electronic Application Processing System), BSE Corporate Compliance and the Listing Centre:** NEAPS is a web-based application designed by NSE for corporates. BSE Listing is a web-based application designed by BSE for corporates. All periodical compliance filings, *inter alia*, shareholding pattern,

Corporate Governance Report, corporate announcements, amongst others in accordance with the Listing Regulations are filed electronically.

- f) **SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.
- g) **Designated Exclusive email-id:** The Company has designated the following email-id for investor servicing: secretarial@fortishealthcare.com. Investors can also mail their queries to Registrar and Transfer Agent at einward.ris@karvy.com.

## 12. GENERAL SHAREHOLDER INFORMATION

### Annual General Meeting

#### Date of AGM

The Annual General Meeting is proposed to be held on Thursday, September 26, 2019 at 12:00 noon at National Institute of Pharmaceutical Education and Research Mohali, Sector 67, SAS Nagar, Mohali, Punjab-160062.

Last date of receipt of Proxy Form: 48 hours before the Annual General Meeting.

(i) **Financial Year of the company** is starting from April 1 and ending on March 31 of next year.

(ii) **Financial calendar 2019-20 (tentative & subject to change)**

S. No.	Tentative Schedule	Tentative Date (On or Before)
1	Financial Reporting for the quarter ended June 30, 2019	August 14, 2019
2	Financial Reporting for the quarter ending September 30, 2019	November 14, 2019
3	Financial Reporting for the quarter ending December 31, 2019	February 14, 2020
4	Financial Reporting for the quarter ending March 31, 2020	May 30, 2020
5	Annual General meeting for the year ending March 31, 2020	On or before September 30, 2020

(iii) **Listing on Stock Exchanges**

As on date, the Company's Equity Shares are listed on the following Stock Exchanges:

- National Stock Exchange of India Limited (NSE), Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai-400051
- BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001

The Company has paid listing fees to above stock exchanges for the Financial Year 2018-19 and there are no outstanding payments as on date.

(iv) **Stock code of Equity Shares**

Trade symbol at National Stock Exchange of India Limited is FORTIS.

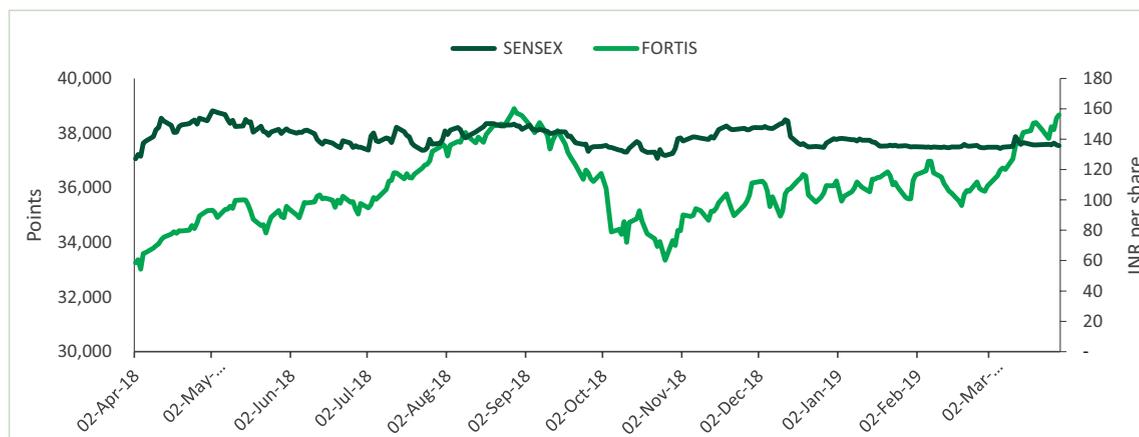
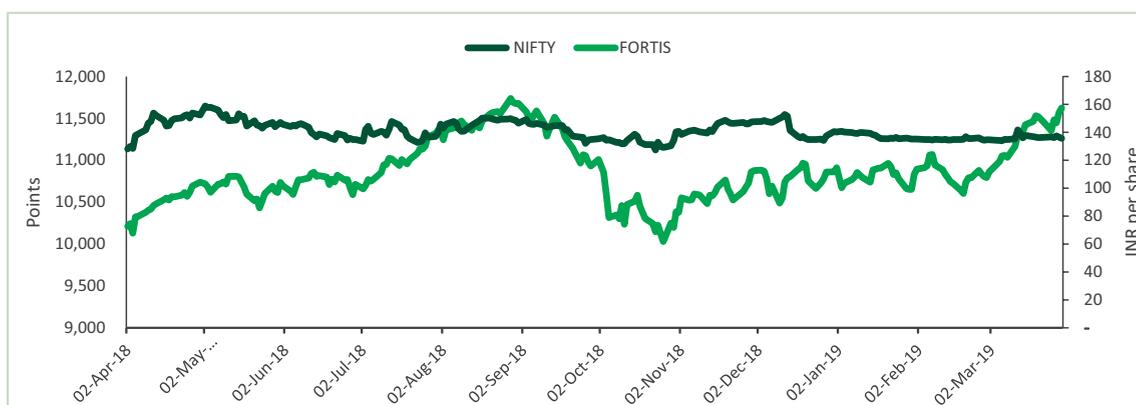
Scrip Code at BSE Limited is 532843

ISIN for equity is INE061F01013

(v) **Stock market Data**

The Company's shares are among the actively traded shares on NSE & BSE. The Monthly high and low of share price of the Company during the Financial Year and comparisons with broad-based indices, viz BSE Sensex and NSE Nifty is as follows:

Month	Share Price (₹) at BSE		Share Price (₹) at NSE	
	High	Low	High	Low
April 2018	158	124.55	157.4	124.35
May 2018	160.9	141.45	160.95	141.2
June 2018	148	126.15	148	129.25
July 2018	149.4	131.8	149.45	132
August 2018	152.45	139.1	152.3	139.05
September 2018	150	131.15	149.9	131.4
October 2018	141.65	126.8	141.8	126.45
November 2018	149.55	137.3	149.3	138
December 2018	153.7	130.2	153	130
January 2019	141.5	134.3	141.7	134.85
February 2019	139	133	139	133
March 2019	144	131	143	132.75



Based on closing data of BSE Sensex (Value) and FHL (₹ Per Share)

Based on closing data of NSE Nifty (Value) and FHL (₹ Per Share)

**(vi) Registrar and Transfer Agent**

Karvy Fintech Private Limited is acting as Registrar and Transfer Agent (RTA) for handling the shares related matters both in physical as well as dematerialized mode. All work relating to equity shares are being handled by them. The Shareholders are therefore, advised to send all their correspondence directly to the RTA. The address for communication is:

Karvy Fintech Private Limited  
 Karvy Selenium, Tower B,  
 Plot No. 31 & 32, Financial District,  
 Nanakramguda, Serilingampally Mandal  
 Hyderabad-500032  
 Phone No. - +91 40 6716 2222  
 Fax No. - +91 40 23420814  
 E-mail: einward.ris@karvy.com

However, for the convenience of shareholders, correspondence relating to shares received by the Company is forwarded to the RTA for necessary action thereon.

**(vii) Nomination Facility**

The shareholders holding shares in physical form may, if they so want, send their nomination(s), as per Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, in form SH-13, which can be obtained from the Company's RTA. Those holding shares in dematerialized form may contact their respective Depository Participant (DP) to avail the nomination facility.

As on March 31, 2019, 75,41,23,894 Equity shares representing 99.89% of the paid-up Equity Share Capital of the Company have been dematerialized.

The shareholders holding shares in physical form are requested to get their shares dematerialized at the earliest, as the Company's Shares are required to be compulsorily traded at Stock Exchanges in dematerialized form only.

**(viii) Elimination of Duplicate Mailing**

The shareholders who are holding Shares in more than one folio in identical name or in joint holders' name in similar order, may send the share certificate(s) along with request for consolidation of holding in one folio to avoid mailing of multiple Annual Reports.

**(ix) Share Transfer System**

The Company's share transfer authority has been delegated to the officials of the Company. The delegated authority(ies) attend the share transfer formalities to expedite all matters relating to transfer, transmission, transposition, split and re-materialization of shares and take on record status of redressal of Investors' Grievance, etc., if any. Further in terms of Regulation 40 of Listing Regulations, the board of directors of a listed entity may delegate the power for certain activities to a committee or to compliance officer or to the registrar to an issue and/or share transfer agent(s). The Board Directors of the Company has authorized M/s. Karvy Fintech Private Limited, Registrar and Transfer Agent of the Company for approving certain activities on behalf of the Company upto a threshold limit. Further, any request beyond the specified limit is approved by the Stakeholders Relationship Committee and subsequently placed before the Board for its noting.

The share certificate received by the Company/ RTA for registration of transfers, are processed by RTA and transferred expeditiously and the endorsed Share Certificate(s) are returned to the shareholder(s) by registered post. A summary of approved transfers, transmissions, deletion requests, etc. are placed before the Board of Directors from time to time as per the Listing Regulations.

As per the requirements of Regulation 7 of Listing Regulations the Company has obtained the half yearly certificates from Compliance Officer and authorised representative of share transfer agent for due compliance of share transfer formalities.

**(x) Reconciliation of Share Capital Audit**

The Reconciliation of Share Capital Audit as stipulated under Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018) (erstwhile Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996) was carried out by a Practicing Company Secretary for each of the quarter in the Financial Year 2018-19, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and total issued and listed capital. The Reconciliation of Share Capital Audit Reports (the Audit report) confirm that the total issued/subscribed paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with the depositories. Such Audit Report for each quarter of the Financial Year 2018-19, has been filed with Stock Exchanges within one month of end of the respective quarter.

**(xi) Details of Demat Suspense Account**

The Company had opened a Demat Suspense Account- “Fortis Healthcare Limited IPO Suspense Account”.

- i. Aggregate Number of the Shareholders and the outstanding shares in the suspense account lying at the beginning of the year i.e. April 1, 2018: 49 (Forty Nine) shareholders and 4,819 (Four Thousand Eight Hundred Nineteen) shares.
- ii. Number of shareholders who approached issuer for transfer of shares from suspense account during the year: 01
- iii. Number of shareholders to whom shares were transferred from the suspense account during the year: 01
- iv. Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year i.e. March 31, 2019: 48 (Forty Eight) shareholders and 4,677 (Four Thousand Six Hundred Seventy Seven) shares.

It is also confirmed that that the voting rights on the above shares shall remain frozen till the rightful owner of such shares claims the shares.

**(xii) Share Dematerialization System and Liquidity**

The requests for dematerialization of shares are processed by RTA expeditiously and the confirmation in respect of dematerialization is entered by RTA in the depository system of the respective depositories, by way of electronic entries for dematerialization of shares generally on weekly basis. In case of rejections, the documents are returned under objection to the Depository Participant with a copy to the shareholder and electronic entry for rejection is made by RTA in the Depository System.

The Company’s Equity Shares are actively traded shares on the Indian Stock Exchanges-BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). Relevant data for the average daily turnover for the Financial Year 2018-19 is given below:

Particulars		BSE	NSE	Average
Average Shares Traded	Share Nos.	2,15,365	29,83,275	16,17,320
Average Daily Turnover	Value (₹) in Crore	3.63	42.85	23.24

[Source: This information is compiled from the data available on the website of BSE and NSE]

Further, w.e.f April 1, 2019, as per the circular issued by SEBI, no transfer can be effected in physical form.

**(xiii) Details on Outstanding Securities as on March 31, 2019 and details of commodity price risk, foreign exchange risk & hedging activity**

As on March 31, 2019, the Company has not issued any GDRs, ADRs, Warrants or any other convertible instruments. No FCCBs stand outstanding in the Books of the Company as on date.

Details of commodity price risk, foreign exchange risk & hedging activity (commodity or otherwise), as applicable, during the financial year under review are provided in notes to accounts which forms part of the Annual Report. It is hereby confirmed that the Company is not involved in commodity and/or derivative market.

**(xiv) Distribution of Shareholding as on March 31, 2019**

Number of equity share held	No. of Shareholders	% of Share Holders	% of Total Paid up share Capital
1 to 5,000	102974	88.05	1.64
5,001 to 10,000	6712	5.74	0.73
10,001 to 20,000	3404	2.91	0.69
20,001 to 30,000	1109	0.95	0.38
30,001 to 40,000	563	0.48	0.27
40,001 to 50,000	452	0.39	0.29
50,001 to 1,00,000	706	0.60	0.71
1,00,001 and above	1023	0.87	95.30
<b>Total</b>	<b>116943</b>	<b>100.00</b>	<b>100.00</b>

**(xv) Shareholding pattern as on March 31, 2019**

S No	Category	No. of Shareholders	Number of Shares Held	% of Shareholding
1	Mutual Funds	4	18432942	2.44
2	Foreign Nationals	1	3000	0.00
3	Trusts	7	42275	0.01
4	Resident Individuals	110285	77713884	10.29
5	Promoters	3	68390	0.01
6	Employees	22	799654	0.11
7	Non-Resident Indians	1226	1364842	0.18
8	Promoters Bodies Corporate	1	1153091	0.15
9	Clearing Members	91	210918	0.03
10	Indian Financial Institutions	2	1393100	0.18
11	Foreign Portfolio Investors	167	299875987	39.72
12	Banks	9	64842769	8.59
13	Foreign Promoters	1	235294117	31.17
14	Foreign Collaborators	1	670194	0.09
15	Non-Resident Indian Non Repatriable	661	2220979	0.29
16	Bodies Corporates	1071	46860590	6.21
17	NBFC	20	429399	0.06
18	HUF	3369	3502288	0.46
19	Alternative Investment Fund	2	76529	0.01
	<b>Total:</b>	<b>116943</b>	<b>754954948</b>	<b>100.00</b>

**(xvi) Lock-in of Equity Shares**

As on March 31, 2019, of 23,52,94,117 Equity Shares of the Company, held by Northern TK Ventures Pte Ltd, Promoter, 8,43,03,727 Equity Shares are under lock-in upto January 4, 2020 and the balance upto January 4, 2022 in terms of the regulatory requirements

**(xvii) Employee Stock Option**

Detailed information relating on Employee Stock Option, has been mentioned in the Board's Report.

**(xviii) Hospitals/Unit(s)/Location(s)**

Fortis Healthcare Limited alongwith its subsidiaries provide healthcare services in Delhi-NCR, Chennai, Bangalore, Punjab, Jaipur and other cities. The locations of the hospital units managed by your Company are as follows:

**Fortis Hospital, Mohali**

Sector-62, Phase-VIII, SAS Nagar, Mohali, Punjab-160062

**Fortis Hospital**

Arcot Road, Vadapalani, Chennai, 600026

**Fortis Hospital**

A Block, Shalimar Bagh, Near Kela Godown, New Delhi-110088

**Fortis-Escorts Hospital**

2<sup>nd</sup> Floor, Coronation Hospital, Curzon Road, Dehradun – 248001

**(xix) Shareholders Communication – Address for correspondence**

The Company understands the significance of two-way communication with the shareholders. The Company's website is constantly updated with the latest disclosures/information as the shareholders may require from time to time. In compliance with Regulation 46 of the Listing Regulations, a separate dedicated section under 'Investors' on the Company's website gives information on various announcements made by the Company, Annual Report, Quarterly/Annual financial results along with the applicable policies of the Company. The Company's official press releases and presentations made to the institutional investors and analysts are also available on the Company's website ([www.fortishealthcare.com](http://www.fortishealthcare.com)).

**For Share transfer/ dematerialization of shares/ payment of dividend and any other query relating to shares, the shareholders may contact at the below address:**

Karvy Fintech Private Limited  
Karvy Selenium, Tower B,  
Plot No. 31 & 32, Financial District,  
Nanakramguda, Serilingampally Mandal  
Hyderabad-500032  
Phone No. - +91 40 6716 2222  
Fax No. - +91 40 23420814  
E-mail: [einward.ris@karvy.com](mailto:einward.ris@karvy.com)

**For Investor Assistance**

The Company Secretary,  
Fortis Healthcare Limited  
Sector-62, Phase-VIII, SAS Nagar, Mohali, Punjab-160062  
Telephone No.: 0172-5096001 Fax No.: 0172 5096221  
Email: [secretarial@fortishealthcare.com](mailto:secretarial@fortishealthcare.com)  
Website: [www.fortishealthcare.com](http://www.fortishealthcare.com)

**(xx) Details of Credit Ratings**

List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial

year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad is as given below:

Entity	Credit Rating Agency	Nature	Rating Status							
			March'18		April'18		Sep'18		March'19	
			Rating	INR in Crs	Rating	INR in Crs	Rating	INR in Crs	Rating	INR in Crs
Fortis Healthcare Limited	ICRA	Long Term	ICRA BBB-	320.00	ICRA C	320.00	ICRA B+	320.00	ICRA BBB-	715.00
Fortis Healthcare Limited	ICRA	Short Term	ICRA A3		ICRA A4		ICRA A4		ICRA A3	
Fortis Healthcare Limited	ICRA	Non Convertible Debentures	ICRA BBB-	250.00	ICRA C	250.00	ICRA B+	250.00	Withdrawn as its unutilized	
Fortis Healthcare Limited	ICRA	Commercial Papers	ICRA A3	600.00	ICRA A4	600.00	ICRA A4	600.00	Withdrawn as its unutilized	
Fortis Hospitals Limited	ICRA	Long Term	ICRA B+	750.00	ICRA B+	750.00	ICRA B+	750.00	ICRA BBB-	750.00
Fortis Hospitals Limited	ICRA	Short Term	ICRA A4		ICRA A4		ICRA A4		ICRA A3	
Escorts Heart Institute and Research Centre Limited	ICRA	Long Term	ICRA BBB-	103.00	ICRA B+	103.00	ICRA B+	103.00	ICRA BBB-	42.15
Escorts Heart Institute and Research Centre Limited	ICRA	Short Term	ICRA A3		ICRA A4		ICRA A4		ICRA A3	
Hiranandani Healthcare Private Limited	ICRA	Long Term	ICRA BBB-	46.00	ICRA B+	46.00	ICRA B+	46.00	ICRA BBB-	17.27
Hiranandani Healthcare Private Limited	ICRA	Short Term	ICRA A3		ICRA A4		ICRA A4		ICRA A3	

Entity	Credit Rating Agency	Nature	Rating Status					
			March'18		April'18		March'19	
			Rating	INR in Crs	Rating	INR in Crs	Rating	INR in Crs
Fortis Healthcare Limited	CARE	Long Term	CARE BBB+	200.00	CARE C	200.00	CARE BBB-	105.00
Fortis Healthcare Limited	CARE	Short Term	CARE A2		CARE A4		CARE A3	
Fortis Healthcare Limited	CARE	Commercial Papers	CARE A2	600.00	CARE A4	600.00	Withdrawn as its unutilized	
Escorts Heart Institute and Research Centre Limited	CARE	Long Term	CARE BBB+	53.00	CARE C	53.00	CARE BBB-	43.00
Escorts Heart Institute and Research Centre Limited	CARE	Short Term	CARE A2		CARE A4		CARE A3	

**(xxi) Details of Utilization of funds raised through preferential allotment**

The details of utilisation of funds raised through preferential allotment forms part of Notes to Financial Statement which forms part of this Annual Report.

**(xxii) Certificate from Practicing Company Secretary**

The Company is in receipt of a certificate from M/s. Sanjay Grover & Associates, Practicing Company Secretaries confirming that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

**(xxiii) Payments to statutory auditors**

Particulars of total fees for all services paid by the listed entity and its subsidiaries (including indirect taxes), on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part is given below:-

Particulars	(₹ in lacs)
	Amount*
Statutory Audit	612.16
Tax Audit	30.07
Limited Reviews	96.76
Other services	654.97
Reimbursement of expenses	72.40
<b>Total</b>	<b>1,466.36</b>

\*On accrual basis

(xxiv) Disclosure(s) in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is provided in the Board's Report.

(xxv) It is confirmed that there was no instance during Financial Year 2018-19 when the Board had not accepted any recommendation of any committee of the Board.

**13. MANDATORY REQUIREMENTS**

The Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance i.e. Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations except elsewhere mentioned in this report.

M/s. Sanjay Grover & Associates, Practicing Company Secretaries has audited the compliances of Corporate Governance and after being satisfied on the same, issued a certificate on compliance to the Company, which forms part of this report.

**14. DISCRETIONARY REQUIREMENT UNDER PART E TO SCHEDULE II TO THE LISTING REGULATIONS**

**A. Separate posts of Chairman and CEO**

The Company has appointed separate persons to the post of Chairman and Managing Director/CEO, as and when applicable.

**B. Reporting of Internal Auditor**

The Head- Risk and Internal Audit reports directly to the Audit and Risk Management Committee.

**C. Modified Opinion(s) in Audit Report**

The Company endeavours to move towards a regime of financial statements with unmodified audit opinion.

**15. GO GREEN INITIATIVE**

- (a) The shareholders having shares in physical form are requested to register their e-mail ids with us or our RTA, at the address given in this report, to enable us to serve any document, notice, communication, annual report, etc. through e-mail.
- (b) The shareholders holding shares in Demat form are requested to register their e-mail id with their respective Depository Participant for the above purpose.

**Declaration as required under SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015**

All Directors and Senior Management personnel of the Company have affirmed compliance with the provisions of the Fortis Code of Conduct for the Financial Year ended March 31, 2019.

**For & on behalf of Board of Directors**

**Date:** May 24, 2019

**Place:** Gurugram

**Sd/-**

**Dr. Ashutosh Raghuvanshi  
Managing Director & CEO**