



FORTIS HEALTHCARE LIMITED

CIN: L85110PB1996PLC045933

Registered Office: Fortis Hospital, Sector 62, Phase – VIII, Mohali, Punjab - 160062

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

NOTICE OF POSTAL BALLOT

(Pursuant to Section 110 of the Companies Act, 2013 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 (“**Company**”) pursuant to Section 110 of the Companies Act, 2013 (“**Act**”) read with Rule 22 of the Companies (Management and Administration) Rules, 2014, and other applicable provisions, if any, including any statutory modification or re-enactment thereof for the time being in force, that the resolutions appended herein below are proposed to be passed by the Members by way of Postal Ballot by giving their assent/dissent.

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

Mr. Ramit Rastogi of Ramit Rastogi & Associates, Practicing Company Secretaries (C.P. No. 18465) has been appointed by the Board of Directors of your Company as the Scrutinizer to scrutinize the Postal Ballot process including voting in a fair and transparent manner.

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 original postal ballot form (no other form or photocopy thereof is permitted) in the enclosed self-addressed business reply envelope so as to reach the Scrutinizer on or before the **close of working hours (i.e. 1700 Hours IST) on Sunday, July 7, 2019**. Ballots received thereafter will be strictly treated as if no reply has been received from the member. The said Notice of Postal Ballot is also available on the website of the Company at www.fortishealthcare.com.

Further, in compliance with Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (“**SEBI LODR**”) 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 M/s. Karvy Fintech Private Limited 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(ES):

1. **Disinvestment of shareholding in M/s. The Medical and Surgical Centre Ltd, an indirect associate company, held through a wholly owned subsidiary, Fortis Healthcare International Limited.**

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

“**RESOLVED THAT** pursuant to the provisions of Regulation 26 of

Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 read with the applicable provisions of Companies Act, 2013 and the rules thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Foreign Exchange Management Act, 1999, including any statutory modifications or re-enactment(s) thereof for the time being in force to each of the foregoing and pursuant to the Memorandum and Articles of Association of the Company, and subject to the requisite approvals, if any, of the relevant statutory, regulatory or government authorities, the consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “**Board**”, which term shall include any committee of directors constituted by the Board) and of Fortis Healthcare International Limited (“**FHIL**”) to sell the entire investment (i.e. 164,670,801 Ordinary Shares, aggregating to 28.89% of paid up capital) held by FHIL in M/s. **The Medical and Surgical Centre Ltd (“MSCL”)**, having its registered office address at Georges Guibert, St. Floreal, Mauritius, an indirect associate company of the Company to M/s **CIEL Healthcare Limited (“CHL”)**, an existing majority shareholder of MSCL and **M/s CIEL Limited**, the holding company of CHL (both being non-related to the Company).

RESOLVED FURTHER THAT the Board will have absolute discretion in deciding whether this resolution is required to be made effective or not and in the event it is decided by the Board or such Committee thereof that such resolution is to be made effective, to determine the date on which such resolution shall become effective.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do and perform or cause to be done all such acts, deeds, matters and things, as may be required to give effect to this resolution, including without limitation, seek the requisite approvals, consents and permissions as may be applicable, negotiating, finalizing, varying, settling the terms and conditions of such sale and executing agreements (including amendments/ extensions/ termination thereof), writings, memoranda, deeds and such other documents as may be deemed necessary including specifically with respect to terminating of existing agreement/arrangements entered into between MSCL, CIEL group entities and Fortis Group entities including Fortis Global Healthcare (Mauritius) Limited (“**FGHML**”), in its own discretion and in the best interest of the Company and to delegate all or any of the powers or authorities herein conferred to any Director(s) or other official(s) of the Company, or to engage any advisor, consultant, agent or intermediary, as may be deemed incidental to give effect to this resolution.”

2. **Modification of terms of Non-Convertible Bonds (NCBs) issued by subsidiary companies**

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

“**RESOLVED THAT** pursuant to the applicable provisions of Companies Act, 2013 and Regulation 26 of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including amendments and modifications thereto) and such other

laws, rules, regulations as may be applicable and separate NCB Purchase Agreements entered into by the Company with International Hospital Limited, Escorts Heart and Super Specialty Hospital Limited, Fortis Health Management Limited and Hospitalia Eastern Private Limited, respectively (all of them being direct or indirect wholly owned subsidiaries of the Company w.e.f. January 15, 2019), approval of the Members be and is hereby accorded to amend the nature and terms of the Non Convertible Bonds (NCBs), as mentioned below, by making them unsecured, redeemable, optionally or fully convertible from currently being secured and non-convertible bonds on such terms and conditions as may be mutually agreed between the parties thereto.

Name of Issuing Entity	Number of NCBs	Amount of NCBs (INR Crs)
International Hospital Limited	12,05,000	120.50
	12,96,000	129.60
	75,000	7.5
	17,00,000	170.00
Escorts Heart and Super Speciality Hospital Limited	31,30,400	313.04
Fortis Health Management Limited	1,16,000	11.60
Hospitalia Eastern Private Limited	7,00,000	70.00

RESOLVED FURTHER THAT the Board or any committee thereof be and is hereby authorized to do and perform or cause to be done all such acts, deeds, matters and things, including without limitation, seek the requisite approvals, consents and permissions as may be applicable, settling the terms and conditions of such modification and executing agreements (including amendments/ extensions thereof), writings, memoranda, deeds and such other documents as may be deemed necessary in its own discretion and in the best interest of the Company and to delegate all or any of the powers or authorities herein conferred to any Director(s) or other official(s) of the Company, or to engage any advisor, consultant, agent or intermediary, as may be deemed incidental to give effect to this resolution.”

By Order of the Board
For Fortis Healthcare Limited

Date: May 24, 2019
Place: Gurugram

Sd/-
Sumit Goel
Company Secretary

NOTES:

- The 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 enclosed herewith and forms part of this Notice.
- The Notice is being sent to those Members whose name will appear in the Register of Members/List of Beneficial Owners received from the Depositories / Karvy Fintech Private Limited on Friday, May 24, 2019.
- The Board of Directors has appointed Mr. Ramit Rastogi of Ramit Rastogi & Associates, Practicing Company Secretaries (C.P. No. 18465) as a Scrutinizer to scrutinize the voting process in a fair and transparent manner.

- In compliance with provisions of Section 110 of the Companies Act, 2013 read with Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”), Rule 20 of the Companies (Management and Administration) Rules 2014, as amended upto date & Secretarial Standard-2 issued by the Institute of Company Secretaries of India on General Meeting (“SS-2”), the Company is also offering e-voting facility to enable the Members to cast their votes electronically. The Board of Directors of the Company has appointed M/s. Karvy Fintech Private Limited (hereinafter called “KFPL”) for facilitating e-voting to enable the shareholders to cast their votes electronically. However, e-voting is optional.

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

In case of Member(s) receiving e-mail from KFPL:

- For Members whose email address is registered - open the attached PDF file “FortisHealthcareVoting.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;
- For Members who have not registered their email ids: **please refer to the user id and password printed on the Postal Ballot Form;**
- Please note that the password is an initial password;
- Open internet browser by typing the URL: <https://evoting.karvy.com>;
- Click on Member - Login;
- Put user ID and password as initial password noted in step (a) above and click Login;
- Password change menu appears. Change the password with new password of your choice with minimum 8 characters consisting of atleast 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;
- Home page of e-Voting opens. Click on e-Voting: Active Voting Cycles;
- Select “EVEN” (i.e. E-Voting Event Number) of Fortis Healthcare Limited;
- Now you are ready for e-Voting as Cast Vote page opens. Voting period commences on **June 8, 2019** at 1000 Hours and ends on **July 7, 2019** at 1700 Hours. The e-voting module shall be disabled by KFPL for voting on **July 7, 2019** at 1700 Hours IST. For the avoidance of doubt, it is hereby clarified that the voting shall not be allowed beyond the said date and time;
- 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;
- 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;
- 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, Karvy Fintech Private Limited, Karvy Selenium Tower B, Plot No. 31 & 32,

Financial District Nanakramguda, Serilingampally Mandal, Hyderabad-500032 or Fortis Healthcare Limited, Tower A, 3rd Floor, Unitech Business Park, Block F, South City-1, Sector-41, Gurugram-122001, fill in the details and send the same to the Scrutinizer.

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 query or grievance, 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 Mr. S V Raju, Authorized Representative, KFPL at toll free number 1800 345 4001/ +91 40 67162222.

If you are already registered with KFPL 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).

5. Members who have registered their e-mail IDs with the Company/Depository Participants 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/permitted mode 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 KFPL, Karvy Selenium Tower B, Plot No. 31 & 32, Financial District Nanakramguda, Serilingampally Mandal, Hyderabad-500032 or Fortis Healthcare Limited, Tower A, 3rd Floor, Unitech Business Park, Block F, South City-1, Sector-41, Gurugram-122001 and fill in the details and send the same to the Scrutinizer.
6. 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 through e-voting will be treated as valid.

7. 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.
8. 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, May 24, 2019 and a person who is not a Member as on such date should treat this notice for information purposes only.
9. The result of the Postal Ballot shall be declared by a person so authorized in this regard on **Monday, July 8, 2019** on or before 1600 Hours at the Corporate Office of the Company at Tower A, Unitech Business Park, Block F, South City-1, Sector-41, Gurugram-122001 and also displayed on notice board of Corporate Office and Registered Office of the Company and the resolution will be taken as passed effectively on the last date of voting, if the results of the Postal Ballot indicates that the requisite majority of the Members had assented to the Resolution. The result of the Postal Ballot shall be hosted on the website of the Company www.fortishealthcare.com and of KFPL at <https://evoting.karvy.com> and simultaneously communicated to the Stock Exchange, where the securities of the Company are listed.
10. Relevant documents referred to in the Notice, if any, will be available for inspection by the Members at the Registered Office and/or Corporate Office of the Company during normal business hours between 10.00 a.m. to 12.00 noon on all working days (except Saturdays, Sundays and Public Holidays) upto the date of declaration of the result.
11. Those Members who have not yet got their Equity Shares dematerialized, are requested to contact any of the Depository Participants in their vicinity for getting their shares dematerialized.

By Order of the Board
For Fortis Healthcare Limited

Date : May 24, 2019
Place : Gurugram

Sd/-
(Sumit Goel)
Company Secretary
Membership No: F6661

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 1

The Company currently holds 164,670,801 Ordinary Shares, aggregating to 28.89% of paid up capital of M/s. The Medical and Surgical Centre Ltd ("MSCL") through Fortis Healthcare International Limited (FHIL), a wholly owned subsidiary of the Company.

In 2008, FHIL joined hands with a diversified Mauritian Industrial Group, CIEL, to jointly acquire a controlling stake in MSCL, Mauritius. MSCL is a public company founded in 1972 as a provider of healthcare services in Mauritius. The office of MSCL is located at Floréal-Mauritius.

FHIL acquired 28.89% stake in MSCL for a consideration of approximately MUR 87 Million (~Rs 13 Cr). Along with the acquisition, FHIL also entered into an Operation & Management (O&M) agreement with MSCL for a period of 10 years to operate and manage Cliniqué Darne hospital and the outpatient facility in Mauritius. The said agreement was assigned to Fortis Global Healthcare (Mauritius) Limited ("FGHML"), a wholly owned subsidiary of the Company, in 2016. Subsequent to the acquisition of Wellkin Hospital by MSCL in 2017, FHIL entered into an O&M agreement with MSCL on similar terms and conditions for the Wellkin Hospital.

The aforesaid O&M agreements with MSCL expired on December 31, 2018. With expiry of O&M agreements, FHIL and FGHML, as the case may be, ceased receiving the O&M fees. As a result, the investment in MSCL is no more of any strategic importance to the Company and has become non-core to its business operations. MSCL has also not been declaring dividends for the past 2 years due to its low profitability as a result of acquisition of Wellkin Hospital. As on the date of this notice, MSCL is in process of changing its name to M/s. C-Care (Mauritius) Ltd, subject to regulatory approvals.

It is proposed to sell the entire investment i.e. 164,670,801 Ordinary Shares, aggregating to 28.89% of paid up capital of MSCL held by FHIL to M/s CIEL Healthcare Limited, ("CHL") a majority shareholder of MSCL and M/s CIEL Limited, the holding company of CHL at a per share price of MUR 2.39 translating upto a cash consideration of MUR 393.6 Million.

FHIL had appointed two reputed valuation advisors for conducting the valuation of MSCL. The advisors have provided a valuation of MUR 1.98 per share and a range between MUR 2.18 to MUR 2.52 per share, respectively. The agreed transaction price of MUR 2.39 per share is at a discount to current trading price of MUR 2.80 at the Stock Exchange of Mauritius. MSCL is listed on the Development & Enterprise Market (DEM) of the stock exchange and not on the Official Market. As per valuation advisors, the current trading price of MUR 2.80 per share does not reflect true value of MSCL due to significantly low liquidity of the stock and hence market price method was not considered for valuation purposes. Both the valuers used internationally accepted valuation methodologies to value MSCL.

In view of the above, the Board of Directors of the Company and that of FHIL and FGHML, at their respective meetings, have resolved, subject to approval by the Members and other requisite approvals, to sell off its entire holding in MSCL and terminate the relevant agreements entered into earlier between the Fortis entities and other parties in relation to their rights and obligations. A share purchase agreement and various other termination and confirmation agreements have been duly executed between the parties for such purposes – the effectuation of which is subject to *inter alia* the consent of the Members.

In terms of the provisions of Regulation 26 of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, since the Company is currently under mandatory takeover offer period (post acquisition of approx. 31% paid up capital of the Company by Northern TK Ventures Pte Ltd), consent of the Shareholders would be required by way of a special resolution by postal ballot, to alienate any material assets by its subsidiary by way of sale, disinvestment or otherwise dispose-of outside the ordinary course of business.

Further, it is confirmed that the proposed divestment/sale is not a related party transaction in terms of the provisions of Companies Act, 2013 and of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR").

It is hereby clarified that, as on March 31, 2019, FHIL do not classify as 'Material Subsidiary' in terms of LODR. However, with the recent amendment in LODR effective April 1, 2019, FHIL becomes a material subsidiary of the Company.

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

The Board commends the Special Resolution set out in the accompanying Notice for approval by the Members.

Item No. 2

The Company had on January 15, 2019 acquired 100% Equity Shares, Compulsorily Convertible Debentures (CCDs) and Non-Convertible Bonds (NCBs) of International Hospital Limited, Escorts Heart and Super Speciality Hospital Limited, Fortis Health Management Limited and Hospitalia Eastern Private Limited, hereinafter referred as "Issuing Entities". Accordingly, these Issuing Entities became wholly owned subsidiaries of the Company (either directly or indirectly).

In consideration of the foregoing, and with respect to the NCBs so acquired by the Company from the Issuing Entities, it is considered commercially prudent to change the terms of the NCBs as may be mutually agreed between the parties including but not limited to change in the terms by making them unsecured, redeemable, optionally and fully convertible and thereby un-locking the assets charged against the instruments. This will enable the Company to utilize the assets for raising further loans from banks and financial institutions for operational and working capital requirements, as and when required.

In view of the above, the Board of Directors of the Company approved modification in the terms of the NCBs to make these unsecured, subject to the approval of the shareholders of the Company and subsequently the same will be approved by the board and shareholders of the Issuing Entities.

In terms of the provisions of Regulation 26 of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, since the Company is currently under mandatory takeover offer period (post acquisition of approx. 31% paid up capital of the Company by Northern TK Ventures Pte Ltd), consent of the Shareholders would be required by way of a special resolution by postal ballot, to enter into, amend or terminate any material contract to which the target company or any of its subsidiaries is a party, outside the ordinary course of business. The said agreements have been considered as material agreements and outside the ordinary course of business.

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

The Board commends the Special Resolution set out in the accompanying Notice for approval by the Members.

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

Date : May 24, 2019
Place : Gurugram

Sd/-
(Sumit Goel)
Company Secretary
Membership No: F6661