

**Fortis Healthcare Limited**

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South City 1, Sector – 41, Gurgaon,  
Haryana – 122 001 (India)

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**FHL/SEC/2019-20****May 30, 2019**

**The National Stock Exchange of India Ltd.  
Corporate Communications Department  
“Exchange Plaza”, 5th Floor, Bandra-Kurla  
Complex, Bandra (East), Mumbai – 400051**

**BSE Limited  
Corporate Services Department  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai – 400 001**

**Scrip Symbol: FORTIS****Scrip Code:532843****Sub: Annual Secretarial Compliance Report for the year ended March 31, 2019**

Dear Sir(s),

Pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular CIR/CFD/CMD1/27/2019 dated February 8, 2019, as amended, we are herewith submitting the Annual Secretarial Compliance Report for the financial year 2018-19.

This is for your information and records please.

Thanking you,  
Yours faithfully,  
For **Fortis Healthcare Limited**

**Sumit Goel  
Company Secretary  
ICSI Membership: FCS6661**

# SANJAY GROVER & ASSOCIATES

## COMPANY SECRETARIES

B-88, 1<sup>ST</sup> Floor, Defence Colony, New Delhi - 110 024

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### Secretarial Compliance Report of Fortis Healthcare Limited for the year ended 31 March, 2019

I, Sanjay Grover, Managing Partner of Sanjay Grover & Associates have examined:

- (a) all the documents and records made available to me and explanation provided by **Fortis Healthcare Limited** ("the listed entity")
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended **31 March, 2019** ("Review Period") in respect of compliance with the provisions of :

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations);
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) \*Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (f) \*Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (g) \*Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

No event took place under these regulations during the audit period.



and based on the above examination, I hereby report that, during the Review Period:

- a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr.No	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1.	Regulation 33(3)(d) of SEBI LODR	The audited financial statements/ results for the year ended on March 31, 2018 were submitted to the stock exchange(s) after a delay of 37 days.	<p>The audited financial statements/ results for the year ended on March 31, 2018 were submitted to the stock exchange(s) after a delay of 37 days against the specified period as required under Regulation 33(3)(d) of SEBI LODR.</p> <p>In respect thereto, penalty for non-compliance as imposed by the stock exchange(s) was paid by the Company.</p>
2.	Regulation 33(3)(d) of SEBI LODR	Statement on Impact of Audit Qualifications for audit report with modified opinion was submitted with the stock exchange(s) after a delay of almost 1 month.	<p>Statement on Impact of Audit Qualifications for audit report with modified opinion was submitted with the stock exchange(s) after a delay of almost 1 month against the specified period as required under Regulation 33(3)(d) of SEBI LODR.</p> <p>Other compliances including newspaper publication(s) were done accordingly.</p>
3.	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	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,



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		statements/ results for the year ended on March 31, 2018.	2019.
4.	Regulation 18 of SEBI LODR	Composition of Audit Committee was modified on November 13, 2018 which was not in accordance with Regulation 18 of SEBI LODR.	Composition of Audit Committee was modified on November 13, 2018 which was not in accordance with Regulation 18 of SEBI LODR.  The same was thereafter rectified on January 30, 2019. In respect thereto, the penal provisions as levied by Stock Exchange(s) have been duly complied with.
5.	Regulation 24(1) of LODR	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.	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, whether incorporated in India or not [Regulation 24(1) of LODR]
6.	Regulation 30 of SEBI LODR	The proceedings of Extraordinary General Meeting of the Company held on August 13, 2018 was submitted to the stock exchanges after the delay of 2 days	The proceedings of Extraordinary General Meeting of the Company held on August 13, 2018 were submitted to the stock exchanges after the delay of 2 days which is not in compliance with Regulation 30 of SEBI LODR.
7.	Regulation 30 of SEBI LODR	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.	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 which is not in compliance with Regulation 30 of SEBI LODR.
8.	Para No. 5 of the SEBI Circular CIR/CFD/CMD/4/2015 dated September 09,	The Company disclosed to the stock exchanges about share subscription agreement entered into with IHH Healthcare	The Company disclosed to the stock exchanges about share subscription agreement entered into with IHH Healthcare Berhad on July 13, 2018,



	2015	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.	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.
9.	Regulation 17(10) of SEBI LODR Regulations	The Company has initiated the process of performance evaluation of the Board as a whole, its Committees and Individual Directors report of same is yet to be placed before the board.	The evaluation of independent directors shall be done by the entire board of directors which shall include - (a) performance of the directors; and (b) fulfillment of the independence criteria as specified in these regulations and their independence from the management. [Regulation 17(10) of SEBI LODR Regulations

- b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my examination of those records.
- c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken e.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any
1.	BSE Limited	Regulation 33 of SEBI LODR Regulations regarding delay in submission of Audited Financial Results for the year ended March 31, 2019 as required	Fine of Rs. 1,29,800/- was imposed on the Company	The Company has paid the fine of Rs. 6,214,788.60/- and Rs. 1,29,800/- to the BSE Limited on June 20, 2018 and September 20, 2018, respectively
2.	National Stock Exchange of India Limited	Regulation 33 of SEBI LODR Regulations regarding delay in submission of Audited Financial Results for the year ended March	Fine of Rs. 63,44,355/- was imposed on the Company	The Company has paid the fine of Rs. 40,000/- and further Rs. 63,04,355/- to the National Stock Exchange of India







Limited and National Stock Exchange of India Limited respectively on August 27, 2018 under Regulation 31A(6) of SEBI LODR Regulations for seeking their approval to aforesaid reclassification/ classification which is still under consideration.

2. SEBI vide order No. WTM/GM/IVD/101/2018-2019 dated March 19, 2019 read with interim ex-parte order No. WTM/GM/IVD/68/2018-19 dated October 17, 2018 read with order WTM/GM/IVD/80/2018-19 dated December 21, 2018, *inter alia*, issued the following directions:-

- The Company and Fortis Hospitals Limited shall continue to pursue the measures to recall the outstanding amount of Rs.403 crore (approx.) along with due interest from RHC Holding Private Limited, Shivi Holdings Private Limited, Malav Holdings Private Limited, Malvinder Mohan Singh, Shivinder Mohan Singh, Religare Finvest Limited, Best Healthcare Private Limited, Fern Healthcare Private Limited and Modland Wears Private Limited.
- RHC Holding Private Limited, Shivi Holdings Private Limited, Malav Holdings Private Limited, Malvinder Mohan Singh, Shivinder Mohan Singh, Best Healthcare Private Limited, Fern Healthcare Private Limited and Modland Wears Private Limited pending completion of the investigation, shall not dispose of or alienate any of their assets or divert any funds, except for meeting expenses of day-to-day business operations, without the prior permission of SEBI.
- Religare Finvest Limited, pending completion of the investigation, shall not dispose of or alienate any of its assets or divert any funds, without the prior permission of SEBI, except for meeting expenses of day-to-day business operations and/or complying with the terms of the 'Corrective Action Plan' as stipulated by the Reserve Bank of India.
- Malvinder Mohan Singh and Shivinder Mohan Singh shall not associate themselves with the affairs of Company and Fortis Hospitals Limited in any manner whatsoever.

The detailed investigation in the above stated matter is still in progress.

3. SEBI vide order No. WTM/GM/IVD/100/2018-2019 dated March 14, 2019 ('Order') observed that a detailed investigation of the fund diversion in the instant case is necessary to find out the role of each entity, listed in the Order, in the alleged diversion of funds of Rs. 2,315.09 Cr. from the books of Religare Finvest Limited ('RFL') for utilization of Promoters and Promoter Group Entities of the Religare Enterprises Limited ('REL'). However, pending detailed investigation, SEBI, as a remedial action, passed an interim ex-parte order, to protect the interests of shareholders of REL as funds to the tune of Rs. 2315.09 Crores (approx.) have moved out from RFL for the ultimate benefit of erstwhile promoters of REL.

In view of foregoing, in order to protect the interest of the investors and the integrity of the securities market, in exercise of the powers conferred by virtue of section 19 read with sections 11(1), 11(4)(d) and 11B of the SEBI Act, 1992, SEBI *inter-alia* issued following directions: -



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- REL and RFL (i.e. Noticee nos. 1 & 2) shall initiate steps to recall all the loans, amounting to Rs.2315.09 Crores (approx.) , as specified in table no. 8 under para 4 of the Order, extended, either directly or indirectly, to the Noticee nos. 3 to 25 (viz. OSPL Infradeal Private Limited, Bharat Road Network Limited , Platinum Infrastructure Pvt. Ltd, Ad Advertising Pvt. Ltd, Artifice Properties Pvt. Ltd, Best Health Management Pvt. Ltd, Devera Developers Pvt. Ltd, Vitoba Realtors Pvt. Ltd, Fern Healthcare Pvt. Ltd, Modland Wears Pvt. Ltd, Rosestar Marketing Pvt. Ltd, Star Artworks Pvt. Ltd, Tripoli Investment & Trading Co, Volga Management and Consultancy Pvt. Ltd, Zolton Properties Pvt. Ltd, Religare Comtrade Limited, RHC Holding Pvt Ltd , Ranchem Pvt. Ltd , ANR Securities, Shivi Holdings Pvt. Ltd, Malav Holdings Pvt. Ltd, Malvinder Mohan Singh and Shivinder Mohan Singh) (i.e. Noticee nos. 3 to 25), along with due interest, within three months of the date of this order.
- The Noticee nos. 3 to 25 shall, pending completion of the investigation and till further orders, not dispose of or alienate any of their assets or divert any funds, except for meeting expenses of day-to-day business operations, without the prior permission of SEBI.
- The Noticee nos. 24 and 25 shall not associate themselves with the affairs of REL and RFL, in any manner whatsoever, till further directions.

The detailed investigation in the above stated matter is still in progress.

- d) The listed entity has taken the following actions to comply with the observations made in previous reports: **This being the first reporting since the notification of the requirement to submit this report, reporting on actions to comply with the observations made in previous reports is not applicable.**



New Delhi  
May 30, 2019

For Sanjay Grover & Associates  
Company Secretaries  
Firm Registration No.: P2001DE052900

  
Sanjay Grover  
Managing Partner  
CP No.: 3850, M.No. 4223