



Fortis Healthcare Limited

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

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February 07, 2025

FHL/SEC/2024-25

The National Stock Exchange of India Ltd.

Scrip Symbol: FORTIS

BSE Limited

Scrip Code:532843

Sub: Compliance Pursuant to Regulation 54 & Regulation 56(1) (d) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

Dear Madam/Sir,

Pursuant to Regulation 54 & Regulation 56(1)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the Security/Asset Cover certificate and certificate for compliance with the covenants for quarter ended December 31, 2024.

You are requested to take note of the above.

Thanking you,

Yours Sincerely,

For **Fortis Healthcare Limited**

Satyendra Chauhan

Company Secretary & Compliance Officer

M. No. – A14783

Encl: as above

FORTIS HEALTHCARE LIMITED

Regd. Office : Fortis Hospital, Sector 62, Phase – VIII, Mohali – 160062
Tel : 0172-5096001, Fax : 0172-5096221, CIN : L85110PB1996PLC045933

B S R & Co. LLP

Chartered Accountants

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DLF Cyber City, Phase - II
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Private and Confidential

The Board of Directors
Fortis Healthcare Limited
Fortis Hospitals, Sector 62,
Phase-VIII, Mohali
Punjab-160062

07 February 2025

Independent Auditor's Report on Security Coverage of Fortis Healthcare Limited pursuant to Regulation 54 read with Regulation 56(1)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ("SEBI (LODR) Regulations") for listed non-convertible debt securities

1. This report is being issued with the terms of our original engagement letter to the Board of Directors dated 18 December 2024 and addendum to the original agreement dated 03 February 2025.
2. The Management of Fortis Healthcare Limited (herein after referred as "the Company") has prepared and compiled the accompanying Statement on calculation of Security Coverage Ratio (herein after referred as "the Statement") as at 31 December 2024. We have been requested by the management of the Company to examine and issue a report with respect to the book value of assets in Column C [Exclusive Charge (Debt for which this certificate is issued)] and security cover ratio as at 31 December 2024, as per the Debenture Trust Deed (herein after referred as "the Deed") between the Company and Axis Trustee Services ("Debenture Trustee"), dated 18 October 2024, on the basis of unaudited books of account and other relevant records and documents maintained by the Company as at 31 December 2024, in respect of its 155,000 INR denominated, listed, rated, senior, redeemable, secured non-convertible debentures having a face value of Rs 100,000 each (herein after referred as "the NCDs") issued on private placement basis, in compliance with the Regulation 54 read with regulation 56(1)(d) of the Security and Exchange Board of India ('SEBI') Listing Obligations and Disclosure Requirements ('LODR') Regulations, 2015 (as amended) and SEBI Circular No. SEBI/HO/DDHS-PoD3/P/CIR/2024/46 dated 16 May 2024 (herein after cumulatively referred as "the Regulations"). The Statement has been stamped and initiated by us for identification purposes only.
3. The report is required by the Company for onward submission to the debenture trustee to ensure compliance with the SEBI Regulations and SEBI Circular in respect of the NCDs.



Registered Office:

Management's Responsibility

4. The preparation of the Statement is the responsibility of the management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation, and maintenance of internal controls relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances.
5. The management of the Company is also responsible for the adherence with the requirements of SEBI (LODR) Regulations and for providing all relevant information to Debenture Trustee, including, amongst others, maintaining Security Coverage Ratio as per the Deed, in respect of the NCDs.

Auditor's Responsibility

6. Pursuant to the requirement of the Regulations, it is our responsibility to provide a limited assurance whether:
 - i. The book values mentioned in Column C of the Statement are accurately extracted from the unaudited standalone financial results and books of account of the Company as at 31 December 2024
 - ii. the computation of security cover as mentioned in the statement is arithmetically correct;

Our responsibility does not include the evaluation of adherence by the Company with all the applicable guidelines and SEBI regulations.

7. The engagement involves performing procedures to obtain sufficient appropriate evidence to provide limited assurance on the statement as mentioned above. The procedures performed vary in nature and timing, form, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Accordingly, we have performed the following procedures in relation to the statement:

- a) Obtained the Deed and noted that as per Clause 19 of Part B of the Deed, the Company is required to create security in respect of the NCDs by a first ranking pledge of the required number of shares of Agilus Diagnostics Limited held by the Company at all times until the final settlement date to provide the security cover of 1.00 times of the outstanding NCDs.
- b) Obtained and read the Statement compiled by the Management from the unaudited books of account.
- c) Verified that the information contained in Column C of the Statement has been accurately extracted from the unaudited books of account of the Company and other relevant records and documents maintained, by the Company, in the normal course of business.
- d) Traced and agreed the principal amount and the interest accrued thereon on the NCDs outstanding as at 31 December 2024 as mentioned in Column C of the Statement from the unaudited books of accounts.

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- e) Verified the arithmetical accuracy of the information included in the Statement including the computation of the security cover.
- f) Obtained Register of charges maintained by the Company as per the requirements of the Companies Act, 2013 to review the composition of charges created on assets of the Company in relation to these NCDs.
- g) Obtained and read the valuation report obtained by the Management which has been performed by an external valuer in respect of the value of equity shares of Agilus Diagnostics Limited and traced such market value to the value mentioned in Column L of the Statement. We have relied upon such valuation report provided to us by the management and not performed any independent procedures in this regard.
- h) We have not performed any other procedures with respect to any other financial numbers/disclosures appearing in of the accompanying Statement other than procedures mentioned above on:
 - a. Book value of assets and liabilities to the extent disclosed in Column C read with remarks in column B of the Statement and
 - b. Market value of assets to the extent disclosed in Column L of the Statement.
 - c. Checking the arithmetical accuracy of the computation of security cover of the NCDs based on the market value of the security computed as on 21 August 2024 as also considered by the Deed.

Accordingly, we are not commenting on the appropriateness or completeness of any other information included or to be included in the Statement.

- i) Made necessary inquiries with the management and obtained relevant representations in respect of matters relating to the statement.
8. The unaudited standalone financial results of the Company for the quarter and nine month period ended 31 December 2024, have been subjected to a limited review by us on which we have issued an unmodified review report with an emphasis of matter paragraph dated 07 February 2025. Our conclusion on these unaudited standalone financial results was conducted in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim financial information performed by the Independent Auditor of the entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain limited assurance as to whether the unaudited standalone interim financial results are free of material misstatement.
9. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) ("Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics Issued by the ICAI.
10. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, "Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Service Engagements".

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Conclusion

11. Based on our examination of the unaudited books of account and according to the information and explanations provided to us by the management of the Company, nothing has come to our attention that causes us to believe that:
- i. the book values mentioned in Column C of the Statement are not accurately extracted from the unaudited books of account of the Company as at 31 December 2024
 - ii. the computation of security cover as mentioned in the Statement is not arithmetically correct.
 - iii. the Security cover ratio does not exceed 1.00 times the value of the NCDs and interest accrued thereon as prescribed by the Deed.

Restriction to Use

12. This report has been issued at the request of the Company, solely for the purpose as set forth in the paragraph 2 and paragraph 3 of this report and to be submitted with the accompanying statement to the Debenture Trustee. It should not be used by any other person or for any other purpose. This report relates only to the Statement specified above and does not extend to any financial or other information of the Company. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022



Rajesh Arora
Partner

Place: Gurugram
Date: 07 February 2025

Membership No.: 076124
ICAI UDIN: 25076124BMRJVL8907

Private and confidential

The Board of Directors
Fortis Healthcare Limited
Fortis Hospitals, Sector 62,
Phase-VIII, Mohali
Punjab-160062

07 February 2025

Independent Auditor's Report on Financial covenants pursuant to Regulation 54 read with regulation 56(1)(d) of the Security and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ("SEBI (LODR) Regulations") for listed non-convertible debentures issued by the Fortis Healthcare Limited

1. This report is being issued with the terms of our original engagement letter to the Board of Directors dated 18 December 2024 and addendum to the original agreement dated 03 February 2025.
2. The Management of Fortis Healthcare Limited (herein after referred as "the Company") has prepared and compiled the accompanying Statement of Financial covenants (herein after referred as "the Statement") as at 31 December 2024. We have been requested by the management of the Company to examine and issue a report with respect to compliance of the financial covenants as per the terms of Debenture Trust Deed (herein after referred as "the Deed") between the Company and Axis Trustee Services Limited ("Debenture Trustee"), dated 18 October 2024 on the basis of unaudited books of account and other relevant records and documents maintained by the Company as at 31 December 2024, in respect of its 155,000 INR denominated, listed, rated, senior, redeemable, secured non-convertible debentures having a face value of Rs 100,000 each (herein after referred as "the NCDs") issued on private placement basis, in compliance with the Regulation 54 read with regulation 56(1)(d) of the Security and Exchange Board of India ("SEBI") Listing Obligations and Disclosure Requirements ("LODR") Regulations, 2015 (as amended) and SEBI Circular No. SEBI/HO/DDHS-PoD3/P/CIR/2024/46 dated 16 May 2024 (herein after cumulatively referred as "the Regulations"). The Statement has been stamped and initiated by us for identification purposes only.
3. The report is required by the Company for onward submission to the debenture trustee to ensure compliance with the SEBI Regulations and SEBI Circular in respect of the NCDs.

Management's Responsibility for the statement

4. The preparation of the Statement is the responsibility of the management of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.



5. The management of the Company is also responsible for the adherence with the requirements of SEBI (LODR) Regulations and for providing all relevant information to Debenture Trustee, including, amongst others, maintenance and compliance of financial covenants as per the Debenture Trust Deed, in respect of the NCDs.

Auditor's Responsibility

6. Pursuant to the requirements of the Regulations, it is our responsibility to provide a limited assurance as to whether the Company is in compliance with the financial covenants in respect of the NCDs as mentioned in the Deed as at 31 December 2024. Our responsibility does not include the evaluation of adherence by the Company with all the applicable guidelines and SEBI regulations.
7. We have obtained the Deed and noted the requirement on the Company to maintain the following financial covenants as mentioned in clause 28.2.1 of Part B of the Deed:
 - (a) The ratio of the Net External Debt to EBITDA for the Issuer shall not exceed 4x and shall be tested on the basis of the audited accounts on a consolidated basis of each Fiscal Year;
 - (b) The ratio of the Net External Debt to EBITDA for Agilus Diagnostics Limited shall not exceed 4x and shall be tested annually on the basis of the audited accounts on a consolidated basis of each Fiscal Year of Agilus Diagnostics Limited

Further, it is noted that clause 28.2.3 states that "It is hereby clarified that the Financial Covenants detailed in Clause 28.2.1 above shall be tested on each Calculation Date for the Fiscal Year ending on such Calculation Date, within 120 (one hundred twenty) calendar days thereof." Since 31 December 2024 is not a Calculation Date as per the Deed, no Financial Covenants detailed in clause mentioned above shall be tested by the Company.

8. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) ("Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, "Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements".

Conclusion

10. Based on our the reading of the Deed, carried out by us and based on the information, explanations and representations provided to us by the management of the Company, nothing has come to our attention that causes us to believe that the requirement of testing of Financial Covenants as mentioned in clause 28.2.1 of Part B of the deed is applicable as at 31 December 2024.

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Restriction on Use

11. This report has been issued at the request of the Company, solely for the purpose as set forth in the paragraph 2 and paragraph 3 of this report and to be submitted with the statement to the Debenture Trustee. It should not be used by any other person or for any other purpose. This report relates only to the Statement specified above and does not extend to any financial or other information of the Company. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No: 101248W/W-100022



Rajesh Arora
Partner

Place: Gurugram
Date: 07 February 2025

Membership No.: 076124
UDIN No. 25076124BMRJVK8092

Statement of Financial Covenants for the quarter ended 31 December 2024 pursuant to Regulation 54 read with Regulation 56(1)(d) of the SEBI (LODR) Regulations for listed non-convertible debt securities

In accordance with the Debenture Trust deed, Net External Debt/EBITDA of the Company should not exceed 4x and shall be tested on the basis of the audited accounts on a consolidated basis of each fiscal year for both Fortis Healthcare Limited and Agilus Diagnostics Limited. This financial covenant needs to be tested on an annual basis. Accordingly, the covenant has not been tested for the quarter ended 31 December 2024.

As per the requirement of debenture trust deed, the above mentioned terms are defined as:

- a) Net External Debt shall mean total external borrowings less cash and bank balance
- b) Total External Borrowing shall mean the Financial Indebtedness of the Company
- c) Cash and Bank Balance shall mean and include cash in hand and at bank and any term deposits less any cash in hand and at bank and any term deposits which are subject to an Encumbrance.
- d) EBIDTA means the aggregate of the profits before tax, any interest expense, depreciation and amortisation less any extraordinary income or loss in profit and loss account on a consolidated basis

For and on behalf of the Board of Directors of
Fortis Healthcare Limited


Vivek Kumar Goyal
Chief Financial Officer



