

# B S R & Co. LLP

Chartered Accountants

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The Board of Directors  
Fortis Healthcare Limited  
Fortis Hospital, Sector 62,  
Phase VIII, Mohali,  
Punjab – 160062

Date: 07 August 2025

## **Independent Statutory Auditor's Report on Downstream Investments under Foreign Exchange Management (Non-debt Instruments) Rules, 2019 ('the Rules')**

1. This report is issued in accordance with the terms of our engagement letter dated 18 December 2024 and addendum to engagement letter dated 05 August 2025 with Fortis Healthcare Limited (the Company') which is Foreign Owned / Foreign Controlled for the purpose of the said Rules.
2. We, B S R & Co. LLP, Chartered Accountants, the statutory auditors of Fortis Healthcare Limited ('the Company') have been requested by the management, to certify that the Company has complied with the provisions as contained in the Rules, in respect of its investment as detailed in the accompanying Statement of Downstream Investment (herein after referred to as 'Statement'). The Statement has been initialed by us for identification purposes only.

### **Management's Responsibility**

3. The Management is responsible for the preparation of the Statement, for ensuring that the Company complies with the provisions of the Rules and for providing all relevant information to the Reserve Bank of India ('RBI') and other Regulatory Authorities. The Management shall comply with the provisions which shall be implemented in a manner so as to achieve the objectives of the principles.
4. The Management is responsible for maintaining the relevant information and documents, which are required to be kept and maintained under the relevant laws and regulations, implementing the provisions of the Rules and establishing and maintaining effective internal control for properly recording the information related to the downstream investments in the records maintained by the Company.

### **Auditor's Responsibility**

5. Pursuant to the requirements of the rules, it is our responsibility to obtain reasonable assurance and form an opinion as to whether the Company complies with the provisions of Rule 23 of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019. Nothing contained in this report, nor anything said or done in the course of, or in connection with the services that are subject to this Report, will extend any duty of care that we may have in our capacity of the Statutory Auditors of the financial statements of the Company.
6. For the purpose of this report, we have relied on the audited standalone financial statements of the Company for the year ended 31 March 2025, which is yet to be adopted by the shareholders of the Company, and information and documents made available to us by the Company. We have issued an unqualified audit opinion on the standalone financial statements of the Company for the year ended 31 March 2025 vide our report dated 20 May 2025. Our audit of these standalone financial statements was conducted in accordance with the Standards on Auditing as referred to in section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those standards require that we plan and perform our audit to obtain

reasonable assurance about whether the financial statements are free of material misstatements. Our audits were not planned and performed in connection with any transactions to identify matters that may be of potential interest to third parties.

7. We have verified the books of accounts and other records maintained in relation to the Rules by the Company on a test check basis. We have also obtained appropriate representations from the Company's management.
8. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India ("the Guidance Note"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
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".
10. Our opinion is based on the following procedures performed and information and explanations provided by the Management:
  - Traced the amount of downstream investment as detailed in the accompanying Statement to the respective board resolutions.
  - Inspected the downstream investment filings made by the Company in respect of its investments as detailed in the accompanying Statement.
  - Inspected the valuation reports in respect of the investments as detailed in the accompanying statement.
  - Traced the Company's internal accruals (as reflected in the cumulative balance of the retained earnings and general reserve) and aggregate amount of downstream investments to audited financial statements as at 31 March 2025.

### **Opinion**

11. Based on the examination carried out by us and on the basis of information, explanations and representations given by the Management, and legal advice obtained by the Company, we are of the opinion, that the provisions of Rule 23 of the above-mentioned rules, to the extent applicable, have been complied with by the Company in respect of its downstream investments.



B S R & Co. LLP

**Restriction to use**

12. This report is addressed to and provided to the Board of Directors of the Company for compliance with the relevant RBI Rules and Regulations and issued solely for onward submission to Reserve Bank of India (RBI) or any of its related statutory authority. It should not be used by any other person or for any other purpose. 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.

*For B S R & Co. LLP*

*Chartered Accountants*

ICAI Firm Registration No: 101248W/W-100022



**Rajesh Arora**

*Partner*

Membership No.: 076124

UDIN No: 25076124BMRJWS6840

Place: Gurugram

Date: 07 August 2025

## Statement of Downstream Investment

In accordance with the terms of the requirements of Foreign Exchange Management (Non-debt Instruments) Rules, 2019 ('the Rules') we hereby certify as under:

- Fortis Healthcare Limited (the 'Company' or 'FHL'), a public limited company, was incorporated on February 28, 1996. Its equity shares are listed on BSE Limited and National Stock Exchange of India Limited.
- Fortis Healthcare Limited is a leading integrated healthcare delivery service provider. The Company is primarily engaged in the business of healthcare services.
- The Company holds interests in its subsidiaries, associates and joint ventures which manages and operates a network of multi-specialty hospitals and diagnostics centres.
- On November 13, 2018, IHH Healthcare Berhad, Malaysia acquired 31.10% stake in the Company and appointed majority of board of directors, thereby, becoming the controlling shareholder of the Company. Since this date, Fortis Healthcare Limited has become a Foreign Owned / Foreign Controlled Company for the purpose of the said Rules.

The Company has made the following downstream investment post becoming a Foreign Owned / Foreign Controlled Company:

Name of the entity	Activities of the Investee Company	Instrument Type	Date of board resolution by FHL approving the investment	Date of investment	Investment amount
					(In Rs.)
Fortis Health Management Limited ('FHML')	Healthcare provider	Equity shares	14 November 2017 and 13 February 2018	14 January 2019	85,660,090
International Hospital Limited ('IHL')	Healthcare provider & Clinical establishment services	Equity shares	14 November 2017 and 13 February 2018	14 January 2019	2,115,640,479
International Hospital Limited ('IHL')	Healthcare provider & Clinical establishment services	Compulsory Convertible Debentures	14 November 2017 and 13 February 2018	14 January 2019 *	18,650,081,017
Escort Heart and Super Speciality Hospital Limited ('EHSSL')	Clinical establishment services	Compulsory Convertible Debentures	14 November 2017 and 13 February 2018	14 January 2019 *	4,062,550,500
Fortis Hospotel Limited ('FHSL')	Clinical establishment services	Compulsory Convertible Debentures	14 November 2017 and 13 February 2018	14 January 2019 *	10,630,176,283
Escorts Heart Institute And Research Centre Limited ('EHIRCL')	Healthcare provider	Equity shares	26 May 2020	22 December 2020	499,997,205
Fortis Hospitals Limited ('FHSL')	Healthcare provider	Equity shares	26 May 2020	22 December 2020	1,999,999,991
Fortis Hospitals Limited ('FHSL')	Healthcare provider	Equity shares	02 November 2020	22 December 2020	4,999,999,847



Name of the entity	Activities of the Investee Company	Instrument Type	Date of board resolution by FHL approving the investment	Date of investment	Investment amount
					(In Rs.)
Hiranandani Healthcare Private Limited ('HHPL')	Healthcare provider	Equity shares	26 May 2020	27 October 2020	351,971,875
Hiranandani Healthcare Private Limited ('HHPL')	Healthcare provider	Equity shares	26 May 2020	01 February 2021	33,001,838
Artistry Properties Private Limited ('APPL')	Healthcare services	Equity shares	25 September 2023	08 November 2023	99,900
				11 January 2024	319,900,000
Agilus Diagnostics Limited ('ADL')	Diagnostics Service	Equity shares	30 August 2024	20 December 2024	4,293,731,161
				16 January 2025	4,538,378,548
				17 January 2025	8,945,273,671

\* Converted into equity shares on 29 March 2019

Further, one of subsidiary of the Company, Agilus Diagnostics Limited (formerly known as SRL Limited) has made the following downstream investments post FHL becoming a Foreign Owned / Foreign Controlled Company:

Name of the entity	Activities of the Investee Company	Instrument Type	Date of board resolution by Agilus approving the investments	Date of investment	Investment Amount (In Rs.)
DDRC Agilus Pathlabs Limited ('DDRC') (formerly known as DDRC SRL Diagnostics Limited)	Diagnostics Service	Equity Shares	05 February 2021	05 April 2021	3,250,000,000
				04 October 2021*	124,875,000
				05 October 2021*	125,000
				04 April 2022*	125,000,000

\* Date of payment of deferred consideration as per the share purchase agreement.



Further, one of subsidiary of the Company, IHL has made the following downstream investments post FHL becoming a Foreign Owned / Foreign Controlled Company:

Name of the entity	Activities of the Investee Company	Instrument Type	Date of board resolution by IHL approving the investments	Date of investment	Investment Amount (In Rs.)
Renew Wind Energy (AP) Private Limited ('RWEAPPL')	Production, collection and distribution of electricity	Equity shares	12 June 2023	22 February 2024	510,000

The above tables only consider investment made in equity shares, compulsorily and mandatorily convertible debentures, compulsorily and mandatorily convertible preference shares and share warrants issued by the Company or its subsidiaries.

With respect to the downstream investment made above, we hereby certify that:

1. We have examined the compliance with Foreign Exchange Management (Non-debt Instruments) Rules, 2019 in respect of downstream investments made by the Company by way of subscription of equity shares of FHML, IHL, FHsL, EHIRCL, HHPL, DDRC, APPL, RWEAPPL and ADL, and Compulsory Convertible Debentures of IHL, EHSSHL and FHTL.
2. The filing of Form DI and Form FC-TRS in respect to investments in FHML, IHL, EHSSHL and FHTL was delayed beyond the timelines prescribed in Notification No. FEMA 20(R)/ 2017-RB dated 7 November 2017/ Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019. The Company has deposited the related late submission fees in this regard to Reserve Bank of India on 6 April 2021.

The filing of Form DI in respect to investments in APPL and RWEAPPL was delayed beyond the timelines prescribed in Notification No. FEMA 20(R)/ 2017-RB dated 7 November 2017/ Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019. The Company has deposited the related late submission fees in regard to APPL with Reserve Bank of India on 12 September 2024.

Further, the Company is in the process of filing the relevant Form DI for investments in RWEAPPL. Late fees, if any shall be paid by Company as and when raised by the Reserve Bank of India.

Form DI and Form FC-TRS, as required for all other investments have been filed as per the timelines prescribed in the said rules.

3. FHML, IHL, FHTL, EHSSHL, FHsL, EHIRCL, HHPL, DDRC, APPL and ADL are engaged in the Healthcare Sector falling under the Automatic Route of NDI Rules. RWEAPPL is engaged in the Power Sector falling under the Automatic Route of NDI Rules.
4. The Company / Agilus Diagnostics Limited has completed the necessary downstream investment filings / intimation to the Regulatory Authorities with regard to the above investments. Also refer note 2 above.



5. The source of funds utilized for investment in equity shares/compulsory convertible debentures ('CCDs') are as follows:

Name of the entity	Amount of investment (In Rs.)	Source of funds	Date of remittance of funds	Date of purchase/allotment / Conversion of equity shares/CCDS
FHML	85,660,090	Funds received from abroad	14 January 2019	14 January 2019
IHL	20,765,721,496	Funds received from abroad	14 January 2019	14 January 2019
FHTL	10,630,176,283	Funds received from abroad	14 January 2019	14 January 2019
EHSSHL	4,062,550,500	Funds received from abroad	14 January 2019	14 January 2019
EHIRCL	499,997,205	Internal accrual	22 December 2020	22 December 2020
FHsL	199,99,99,991	Internal accrual	22 December 2020	22 December 2020
FHsL	4,999,999,847	Internal accrual	*	22 December 2020
HHPL	351,971,875	Internal accrual	27 October 2020	27 October 2020
HHPL	33,001,838	Internal accrual	01 February 2021	01 February 2021
DDRC	3,250,000,000	Internal accrual	05 April 2021	05 April 2021
	124,875,000		04 October 2021	
	125,000		05 October 2021	
	125,000,000		04 April 2022	
APPL	99,900	Internal accrual	08 November 2023	08 November 2023
	319,900,000			11 January 2024
RWEAPPL	510,000	Internal accrual	12 February 2024	22 February 2024
ADL	4,293,731,161	Funds received from abroad from issue of non-convertible debentures	20 December 2024	20 December 2024
	4,538,378,548	Funds received from abroad from issue of non-convertible debentures	16 January 2025	16 January 2025
	8,945,273,671	Funds received from abroad from issue of non-convertible debentures and Internal accrual	16 January 2025	17 January 2025

\* Conversion of existing inter-company loans into equity shares

6. The aggregate downstream investments as at 31 March 2025 of Rs. 10,178 crores as reported in the audited standalone financial statements as at 31 March 2025 include the investments tabulated above.



7. The downstream investments in equity shares and compulsory convertible debentures as tabulated above have been made from requisite funds received from abroad or internal accruals as reflected in the cumulative balance of the retained earnings and general reserve and the funds borrowed in domestic markets have not been utilised for the said investment. This is also based on the legal advice obtained by the Company.

**For and on behalf of board of directors of Fortis Healthcare Limited**



**Authorised Signatory**

**Date: 07 August 2025**

**Place: Gurugram**

