

February 7, 2012

**CARE ASSIGNS 'CARE A1+ (SO)' RATING TO THE COMMERCIAL PAPER OF  
ESCORTS HEART INSTITUTE & RESEARCH CENTRE LTD**

**Ratings**

<b>Instruments</b>	<b>Amount (Rs. cr)</b>	<b>Ratings<sup>1</sup></b>	<b>Remarks</b>
Commercial Paper @	400.00	<b>CARE A1+ (SO) [A One Plus (Structured Obligation)]</b>	Assigned

@ backed by unconditional and irrevocable Standby Letter of Credit provided by Yes Bank Ltd (YBL)

**Rating Rationale**

The rating for the above instrument is based on credit enhancement in the form of unconditional and irrevocable Standby Letter of Credit provided by YBL (rated 'CARE AA' for lower tier II bonds) to Escorts Heart Institute & Research Centre Ltd (EHIRCL).

The ratings of YBL factor in healthy profitability and operational efficiency of the bank, consistently robust capital adequacy parameters alongwith its ability to raise capital at regular intervals to support its business growth and good asset quality. The ratings also factor in the track record of YBL's promoters, experienced senior management team, its strong risk management systems and technology platform. The ratings are however constrained due to YBL's low proportion of low cost Current Account - Saving Account (CASA) deposits. YBL's ability to raise low-cost resources and maintain asset quality of its fast-growing advances portfolio are the key rating sensitivities.

**Background of EHIRCL**

Incorporated in 2000, EHIRCL is a wholly-owned subsidiary of Fortis Healthcare (I) Ltd. In 2005, FHL acquired majority stake in EHIRCL via share purchase agreement from Escorts Ltd. EHIRCL had a network of three hospitals as of March 31, 2011 having 515 beds in aggregate.

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications.

Of the above, EHIRCL directly owns one hospital namely Escorts Heart Institute & Research Center (Escort, Delhi) in Delhi, one hospital through subsidiary in Amritsar, Punjab and one in collaboration with the Government of Chhattisgarh in Raipur, Chhattisgarh.

**Note: Mr V.K Chopra, who is an Independent Director on the Board of Religare Asset Management Company, is one of CARE's Rating Committee Members. To comply with the regulations, the member has not participated in the rating process and its rating committee meeting**

**Analyst Contact**

Name: Kapil Sachdeva

Tel: 011-45333200

Email: [Kapil.sachdeva@careratings.com](mailto:Kapil.sachdeva@careratings.com)

*CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries /regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.*

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"Credit Analysis and Research Limited proposes, subject to receipt of requisite approvals, market conditions and other considerations, to make an initial public offer of its equity shares and has filed a draft red herring prospectus ("DRHP") with the Securities and Exchange Board of India (the "SEBI"). The DRHP is available on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in) as well as on the websites of the Book Running Lead Managers at [www.investmentbank.kotak.com](http://www.investmentbank.kotak.com), [www.dspml.com](http://www.dspml.com), [www.edelcap.com](http://www.edelcap.com), [www.icicisecurities.com](http://www.icicisecurities.com), [www.idbicapital.com](http://www.idbicapital.com), and [www.sbicaps.com](http://www.sbicaps.com). Investors should note that investment in equity shares involves a high degree of risk and for details relating to the same, see the section titled "Risk Factors" of the DRHP."

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CARE is headquartered in Mumbai, with Offices all over India. The office addresses and contact numbers are given below:

**HEAD OFFICE: MUMBAI**

**Mr. D.R. Dogra**

Managing Director

Mobile : +91-98204 16002

E-mail : [dr.dogra@careratings.com](mailto:dr.dogra@careratings.com)

**Mr. Suryanarayan Iyer Rangaswamy**

Senior Vice President – Marketing

Mobile: +91 9867365827

mail: [R.Suryanarayan@careratings.com](mailto:R.Suryanarayan@careratings.com)

**Mr. Rajesh Mokashi**

Dy. Managing Director

Mobile +91-98204 16001

E-mail: [rajesh.mokashi@careratings.com](mailto:rajesh.mokashi@careratings.com)

**Mr. Saikat Roy**

Senior Vice President - Marketing

Mobile- +91 9820998779

Email [saikat.roy@careratings.com](mailto:saikat.roy@careratings.com)

**Mr. Ankur Sachdeva**

Vice President – Marketing (SME)

Mobile: +91-9819698985

E-mail: [ankur.sachdeva@careratings.com](mailto:ankur.sachdeva@careratings.com)

4<sup>th</sup> Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway,  
Sion (East), **Mumbai 400 022** Tel.: (022) 67543456 Fax: (022) 67543457

**Website: [www.careratings.com](http://www.careratings.com)**

**OFFICES**

<p>Mr. Mehul Pandya Regional Manager 32 TITANIUM Prahaldnagar Corporate Road, Satellite, <b>Ahmedabad - 380 015.</b> Tel – 079 4026 5656 Mobile - +91 98242 56265 E-mail: <a href="mailto:mehul.pandya@careratings.com">mehul.pandya@careratings.com</a></p>	<p>Mr. Dinesh Sharma Regional Manager Unit No. 8, I floor, Commander's Place No. 6, Raja Ram Mohan Roy Road, Richmond Circle, <b>Bangalore - 560 025.</b> Tel – 080 2211 7140 Mobile – +91 9900041975 E-mail: <a href="mailto:dinesh.sharma@careratings.com">dinesh.sharma@careratings.com</a></p>
<p>Mr. Pradeep Kumar Regional Manager Unit No. O-509/C, Spencer Plaza, 5th Floor, No. 769, Anna Salai, <b>Chennai 600 002</b> Tel: 044 2849 7812/2849 0811 Mobile – +91 98407 54521 E-mail : <a href="mailto:Pradeep.kumar@careratings.com">Pradeep.kumar@careratings.com</a></p>	<p>Mr. Ashwini Jani Regional Manager 401, Ashoka Scintilla 3-6-520, Himayat Nagar <b>Hyderabad - 500 029</b> Tel – 040 40102030 Mobile – +91 91600 74789 E-mail: <a href="mailto:ashwini.jani@careratings.com">ashwini.jani@careratings.com</a></p>
<p>Mr. Sukanta Nag Regional Manager 3<sup>rd</sup> Floor, Prasad Chambers (Shagun Mall Building) 10A, Shakespeare Sarani <b>Kolkata - 700 071.</b> Tel – 033 4018 1600/1601/1602 Mobile – +91 98311 70075 E-mail: <a href="mailto:sukanta.nag@careratings.com">sukanta.nag@careratings.com</a></p>	<p>Ms. Swati Agrawal Regional Manager 3<sup>rd</sup> floor, B-47, Inner Circle Near Plaza Cinema Connaught Place <b>New Delhi - 110 001.</b> Tel – 011 2331 8701/2371 6199 Mobile – +91 98117 45677 E-mail : <a href="mailto:swati.agrawal@careratings.com">swati.agrawal@careratings.com</a></p>