

August 27, 2010

**CARE REVISES THE RATINGS OF THE LT BANK FACILITIES OF  
ASSIGNS 'PR1' RATING TO THE ST BANK FACILITIES OF INTERNATIONAL HOSPITAL LTD**

**Ratings Assigned**

Facilities	Amount (Rs. cr)	Ratings <sup>1</sup>	Remarks
Long-term Bank Facilities	32.14	'CARE A-' (Triple A Minus)	Revised from CARE BBB- (Triple B Minus)
Short-term Bank Facilities	3.50	'PR1' (PR One)	Assigned
<b>Total Facilities</b>	<b>35.64</b>		

**Rationale**

The revision in long-term rating of IHL takes into account the expansion in IHL's hospital network, improved operating parameters of the hospitals over time, better profitability reported during Q1FY11 and continued support of the promoters with infusion of capital during FY09. The ratings also draw comfort from the experience and resourcefulness of the promoters, IHL's linkages with its parent Fortis Healthcare Ltd (FHL) and its strategic role in the group's overall business plans and growing demand for healthcare services in India. The ratings are, however, constrained by accumulated losses in the past, exposure and commitments towards its subsidiaries and the increasing competition in the healthcare sector.

Going forward, the ability of IHL to sustain the growth in income and profitability, generate adequate cash accruals and improve its capital structure shall be the key rating sensitivities.

**Company Profile**

Incorporated in 1994, IHL is a wholly-owned subsidiary of Fortis Healthcare Ltd (FHL). From one hospital as on March 31, 2008, IHL has expanded to six hospitals as on March 31, 2009 of which IHL directly owns one (at Noida) while the remaining hospitals are owned through subsidiaries/associates. The company has hospitals in Uttar Pradesh, Haryana, Rajasthan, Tamil Nadu, Bangalore and Mauritius.

During FY09, IHL reported total operating income of Rs.98 cr (y-o-y growth of 15%) with PBILDT and PAT of Rs.21 cr and Rs.9 cr respectively.

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

As per provisional results for FY10, the company reported total income of Rs.127 cr (y-o-y growth of 30%) with net loss of Rs.2 cr. During Q1FY11 (provisional), IHL reported total operating income of Rs.41 cr with PAT of Rs.12 cr.

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