

Kerala State Road Transport Corporation

January 30, 2023

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	50.00	CARE D	Assigned
Long Term Bank Facilities	2,973.86 (Reduced from 3,033.09)	CARE D	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The rating assigned to the bank facilities of Kerala State Road Transport Corporation (KSRTC) factors in the instances of delays in servicing of debt obligations on time.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in liquidity profile of the corporation leading to servicing of debt on time over a sustained period.
- Consistent improvement in collections.

Negative factors

- Not applicable

Analytical approach: Standalone

Key weaknesses

Instances of delay in servicing debt obligation

KSRTC have been delaying in servicing its debt obligation to few of its consortium lenders. Regularization of these dues to the lenders would be key monitorable from the credit risk point of view.

Liquidity: Poor

The corporation has been consistently generating negative cash accruals and is dependent upon Government of Kerala for its day-to-day operations.

Applicable criteria

[Policy on default recognition](#)

[Factoring Linkages Government Support](#)

[Financial Ratios – Non financial Sector](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Credit Watch](#)

[State Governments](#)

[Policy on Withdrawal of Ratings](#)

About the company

Kerala State Road Transport Corporation (KSRTC) was incorporated on March 15, 1965 under the Road Transport Corporations Act, 1950 [Central Act 64 of 1950]. It was formed by transferring the assets and liabilities of the then Kerala State Transport Department vide Government Notification No.5645/TC4/65/PW dated 10-03-1965. It started functioning from 01-04-1965 along with the Water Transport Section, which was operating ferry services around Kochi harbor. The Water Transport section was separated from the Corporation and transferred to Water Transport Department from July 01, 1994. In the past 58 years it had grown into public service provider inevitable to the Kerala people. It is providing services to rural/tribal sectors having lesser income routes without commercial motivation and rendering various service required by Government from time to time incurring high social cost which however could not be passed on to public as the rates are fixed by government. The corporation started with a fleet of 901 buses in 1965 and expanded to fleet strength of 4300 buses. The distance covered by the transport corporation is around 13 lakh km/day.

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Brief Financials (₹ crore)	March 31, 2021 (P)	March 31, 2022 (P)	9MFY23
Total operating income	609.28	1095.52	NA
PBILDT	-1736.98	-1642.47	NA
PAT	-2005.26	-1787.86	NA
Overall gearing (times)	NM	NM	NA
Interest coverage (times)	NM	NM	NA

P: Provisional, NM: Not meaningful, NA: Not available

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not Applicable

Rating history for the last three years: Please refer Annexure-2

Covenants of the rated instruments/facilities: Detailed explanation of the covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of the various instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	50.00	CARE D
Fund-based-Long Term		-	-	31-03-2038	2973.86	CARE D

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based-Long Term	LT	2973.86	CARE D	-	1)CARE D (01-Nov-21) 2)CARE BBB+ (CE); Negative (01-Apr-21)	1)CARE BBB+ (CE); Negative (06-Apr-20)	1)CARE BBB+ (SO); Stable (11-Apr-19)

2	Un Supported Rating-Un Supported Rating (Long Term)	LT	-	-	-	1)Withdrawn (01-Nov-21) 2)CARE D (01-Apr-21)	1)CARE BB (06-Apr-20)	-
3	Fund-based - LT-Cash Credit	LT	50.00	CARE D				

*Long term/Short term.

Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities: Not applicable

Annexure-4: Complexity level of the various instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based-Long Term	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on the complexity levels of the rated instruments: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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