

March 07, 2014

**CARE REVISES THE RATING ASSIGNED TO THE BANK FACILITIES OF
ANDHRA PRADESH STATE ROAD TRANSPORT CORPORATION**

Ratings

Facilities	Amount (Rs. crore)	Ratings ¹	Remarks
Long-term Bank Facilities	2513.53	CARE D (Single D)	Revised from CARE BB (Double B)

Rating Rationale

The revision in the rating of the bank facilities of Andhra Pradesh State Road Transport Corporation (APSRTC) is on account of delays in the servicing of debt obligations.

Background

APSRTC was established on January 11, 1958, in pursuance of the Road Transport Corporations Act, 1950, with an objective of providing road transport facilities in the state of Andhra Pradesh (AP) and neighbouring states. The corporation was started with contributions from the Government of Andhra Pradesh (GoAP) and central government in the form of interest-bearing loan capital which was later converted into equity capital in the year 1992. As on March 31, 2013, GoAP has 67% stake and Government of India has 33% stake in the corporation. As on February 28, 2013, the corporation owns 22,555 buses with 776 bus stations, 211 depots and 1,881 bus shelters. With such a huge fleet base, APSRTC is one of the largest state road corporations in India. The corporation's buses cover 80.98 lakh km and carry 142.96 lakh people to their destinations every day. It connects 23,388 villages to all major towns and cities in AP, which constitutes 95% of the road transport.

APSRTC reported a total operating income of Rs.7,711.48 crore (Rs.6,749.92 crore in FY12) and a net loss of Rs.80.71 crore (Rs.585.31 crore in FY12).

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