

October 31, 2023

North Western Karnataka Road Transport Corporation: Continues to remain under issuer Non-Cooperating category

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Fund Based-Term Loan	250.00	250.00	[ICRA]D; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Total	250.00	250.00	

*Issuer did not cooperate; based on best available information.

[^]Instrument details are provided in Annexure-1

Rationale

ICRA has kept the Long-Term rating of North Western Karnataka Road Transport Corporation in the 'Issuer Not Cooperating' category. The rating is denoted as "[ICRA]D; ISSUER NOT COOPERATING".

As part of its process and in accordance with its rating agreement with North Western Karnataka Road Transport Corporation, ICRA has been trying to seek information from the entity so as to monitor its performance. Further, Despite multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, the rating has been continued to the "Issuer Not Cooperating" category. The rating is based on the best available information.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities, Key financial indicators: [Click here](#) ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy in respect of non-cooperation by the rated entity Corporate Credit Rating Methodology Policy on Default Recognition Rating methodology – Passenger Road Transport
Parent/Group Support	NA
Consolidation/Standalone	Standalone

About the company

The NWKRTC was incorporated in November 1997 as an independent entity under Section 3 of the Road Transport Corporation (RTC) Act, 1950 as a charitable trust, with the aim of providing a public transport system to the commuters in the north western region of Karnataka. As on March 31, 2020, with a fleet strength of around 5,071, NWKRTC has been operating close to 4662 schedules daily through 51 depots and it has around 23,200 personnel on its payrolls.

In FY2020, on a provisional basis, the entity reported a net loss of Rs. 157.1 crore on an operating income of Rs. 2019.0 crore compared to a net loss of Rs. 89.1 crore on an operating income of Rs. 2027.6 crore in FY2019.

Status of non-cooperation with previous CRA:

CRA	Status	Date of Release
CRISIL	[CRISIL]B-(Stable); ISSUER NOT COOPERATING	May 02, 2023

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2024)				Chronology of Rating History for the past 3 years		
		Type	Amount Rated (Rs. Crore)	Amount Outstanding (Rs. Crore)	Date & Rating in	Date & Rating in FY 2023	Date & Rating in FY 2022	Date & Rating in FY 2021
					October 31, 2023	August 23, 2022	May 28, 2021	July 16, 2020
1	Fund Based-Term Loan	Long Term	250.00	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D	[ICRA]B+ (Stable)

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long Term - Fund Based- Term Loan	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#)

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Long Term-Fund Based-Term Loan	-	-	-	250.00	[ICRA]D; ISSUER NOT COOPERATING

Source: North western Karnataka Road Transport Corporation

Annexure-2: List of entities considered for consolidated analysis: Not Applicable

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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Branches



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