

# SpiceJet Ltd — 30 Sep 2025 Credit Rating Summary

| Section                 | Details  |
|-------------------------|--|
| Agency                  | CRISIL Ratings   |
| Rating Change           | <b>Crisil D (Issuer Not Cooperating) → Crisil A4+ (Migrated and Withdrawn)</b>   |
| Outlook                 | Previous: Negative (implied by D) • Current: Withdrawn post-migration  |
| Key Drivers of Change   | <ol style="list-style-type: none"> <li><b>Capital Infusion:</b> ₹3,000 Cr raised via QIP (Sept 2024) drastically improved liquidity and net worth.</li> <li><b>Liability Management:</b> Total liabilities slashed by 64% from ₹9,431 Cr (Mar-24) to ₹3,329 Cr (Mar-25) through settlements.</li> <li><b>Lessor Settlements:</b> Successful negotiations with aircraft/engine lessors and vendors reduced immediate default risk.</li> <li><b>Operational Revival:</b> Plan to unground 35 aircraft to increase capacity by 2.5x, supported by new funding.</li> </ol>   |
| Rated Instruments       | <b>Short Term:</b> Letter of Credit   ₹220.00 Cr   <b>Rating:</b> Crisil A4+ (Withdrawn)   |
| Key Observations        | <ul style="list-style-type: none"> <li>• <b>Strengths:</b> Sustained high Passenger Load Factor (PLF) of ~86%; focus on high-yield Tier-2/3 routes.</li> <li>• <b>Liquidity:</b> Adequate post-QIP with ₹2,500 Cr cash (June-25) plus ₹150 Cr restricted cash.</li> <li>• <b>Operational Weakness:</b> 35 out of 56 aircraft grounded as of June 2025; market share collapsed to ~3% (FY25).</li> <li>• <b>Profitability:</b> EBITDA margin remains modest at 5.4% (FY25); historical 5-6 years of consistent losses.</li> <li>• <b>Cost Risks:</b> High sensitivity to ATF prices and USD/INR volatility (maintenance/lease costs are USD-denominated).</li> <li>• <b>Competition:</b> Intense pressure from IndiGo, Air India, and new entrant Akasa Air.</li> </ul> |
| Investor Impact         | <ul style="list-style-type: none"> <li>• <b>Dilution Risk:</b> Significant dilution already occurred via the ₹3,000 Cr QIP.</li> <li>• <b>Growth:</b> Potential for rapid scale-up if grounded fleet is successfully reactivated.</li> <li>• <b>Leverage:</b> Substantial de-leveraging shifts the profile from "insolvency risk" to "execution play."</li> <li>• <b>Margins:</b> Upside depends on managing high fixed costs against a small operational fleet.</li> </ul>  |
| Agency / Cross Analysis | <p><b>Same Agency:</b> Significant upgrade from 'Default' (D) status. This reflects a shift from a "crisis" state to "standard" short-term credit quality (A4+), driven by the massive equity infusion and creditor settlements.</p> <p><b>Conclusion:</b> Clear <b>Improvement</b>. The upgrade/withdrawal indicates the bank facilities are no longer in default and the agency has sufficient info to exit the 'Non-Cooperating' category.</p>  |
| Final Inference         | The rating action marks a <b>successful survival pivot</b> . While the credit profile has moved from "imminent collapse" to "stable/liquid," the equity value now depends entirely on the efficiency of ungrounding the fleet and reclaiming lost market share.  |