SpiceJet Ltd — 24 Jun 2025 Credit Rating Summary

As an equity-focused credit analyst, I have summarized the Crisil rating report for SpiceJet Limited below.

Credit Rating Summary: SpiceJet Limited

Section	Details
Agency	CRISIL Ratings
Rating Action	**CRISIL D (Issuer Not Cooperating)**
Rating Change	**Maintained at 'D'** (Default grade since March 2024; downgraded from A4 in Sept 2023).
Outlook	**None** (Ratings in 'D' category do not carry outlooks).
Key Drivers of Change	1. **Persistent Default Recognition:** Failure to provide 'No Default Statement' (NDS) for 3 consecutive months. 2. **Information Opacity:** Management non-cooperation prevents verification of debt servicing or strategic intent. 3. **Severe Revenue Contraction:** FY25 Revenue fell **24.8% to ₹5,326 Cr** (vs ₹7,085 Cr in FY24), signaling fleet/operational distress. 4. **Insolvency Risk:** Adjusted Debt/Networth remains "NM" (Not Meaningful), typically indicating negative equity.
Rated Instruments	**Letter of Credit:** ₹220 Cr
Key Observations	• **Positive:** PAT turned technically positive at ₹**61.9 Cr** (vs ₹423.7 Cr loss in FY24), though PAT margin is a razor-thin **0.01%**. • **Operational Crisis:** Significant drop in revenue suggests a shrinking fleet size or loss of market share. • **Transparency Red Flag:** Labeled "Issuer Not Cooperating"; rating lacks a forward-looking component due to management silence. • **Financial Fragility:** Interest coverage and leverage ratios are non-meaningful, indicating a broken capital structure. • **Regulatory Risk:** Failure to submit NDS is a major governance and compliance lapse.
Investor Impact	• **Growth:** Negative; revenue is in a steep decline phase. • **Margins:** Technically positive but unsustainable and potentially skewed by accounting adjustments rather than operations. • **Leverage:** Extremely high risk; "NM" status suggests the company is operating on eroded net worth. • **Dilution Risk:** High; default status usually necessitates massive equity infusion/dilution to satisfy creditors.
Agency / Cross Analysis	**Same Agency (Trend):** Crisil maintained the 'D' rating. The primary shift from 2023 (A4) to 2024/25 (D) reflects a transition from "stressed" to "active default/non-compliance." While PAT improved on paper, Crisil highlights that the **lack of information adequacy** overrides the P&L recovery.
Final Inference	**High-Risk Signal:** The transition to "Issuer Not Cooperating" alongside a "D" rating suggests the company is either unable or unwilling to prove it is servicing debt. The 25% revenue drop is a fundamental red flag for equity holders, overshadowing the marginal PAT recovery.