

SpiceJet Ltd — 09 Apr 2026 Credit Rating Summary

Section	Details
Agency	CARE Ratings Ltd. (CareEdge)
Rating Change	CARE BB- → CARE B+ (1 notch downgrade; Long-term)
Outlook (Current vs Previous)	Stable vs Stable (Driven by expected fleet recovery to 60 aircraft by Dec-26)
Key Drivers of Change	Persistent Operating Losses: PBILDT loss of ₹470.92 Cr in FY25 and ₹437.3 Cr in 9MFY26 due to fleet grounding and rising ATF costs. Market Share Erosion: Massive drop from 15-16% (FY20) to just 3.4% (FY25) due to operational fleet shrinking to 25 aircraft in Mar-25. Stretched Liquidity: Massive debt repayments of ₹242.7 Cr (FY26) and ₹218.8 Cr (FY27) against limited free cash of ₹170 Cr. Supply Chain Concentration: High dependence on Boeing (737 MAX issues/delays) vs competitors using fuel-efficient Airbus A320 NEOs.
Rated Instruments	LT Term Loan: ₹680.89 Cr (CARE B+; Stable) LT/ST Bank Facilities: ₹364.02 Cr (CARE B+; Stable / CARE A4)
Key Observations	Strengths: Successful fundraise of ₹4,172 Cr (FY24-25); Track record of highest Passenger Load Factor (PLF) in the industry. Fleet Status: 37 aircraft remain grounded; aiming for 60 operational aircraft in 6-9 months. Cost Pressure: ATF accounts for 36% of costs; Brent crude volatility (US\$105/bbl) and USD-INR depreciation (lease rentals) squeezing margins. Litigation Risk: Ongoing NCLT/High Court disputes with lessors; ₹148 Cr land parcel required as security deposit. Asset Monetization: Plans to sell spare parts/grounded fleet for ₹400-500 Cr over 12-18 months.
Investor Impact	Growth: Negative; Revenue de-growth in FY25 amid demand slowdown. Margins: Negative PBILDT; Breakeven PLF has exceeded 100% in recent years. Leverage: Total Debt of ₹4,218.5 Cr (₹3,329.3 Cr is lease liabilities) against negative net worth. Dilution Risk: Significant dilution already occurred via QIP/Preferential issues; future survival depends on asset sales rather than operations.
Agency / Cross Analysis	Same Agency: CARE downgraded the rating within 3 months (previous review Jan-25). What Changed: Despite the ₹4,172 Cr infusion, liquidity remains "Stretched" and operating losses "continued," signaling that capital is being used for clearing old dues rather than generating new cash flow. Conclusion: Deterioration. The "Stable" outlook is aggressive given the dependency on contingent asset monetization.
Final Inference	Distressed Turnaround Signal: The rating downgrade despite a massive ₹4,172 Cr capital infusion indicates a "leaking bucket" syndrome—new capital is servicing old debt and legal dues rather than funding growth. Equity remains highly speculative, contingent entirely on the un-grounding of the Boeing fleet.